Investors Gypped in Bond Defaults

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGE 16

Vol. XXVI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JUNE 11, 1932 | 10c a Copy; $5.00 a Year | No. 24

The Nation's Business

- **C. M. A. Indefinite on Imperial Preferences**
- **Secret Session Discusses Parley**
- **Empire Currency Propaganda Pours Into Canada**
- **Stamp Tells Views**

C. M. A. Runs Danger of Misunderstanding

IN GREAT BRITAIN, the Federation of British Industries has published a number of comprehensive brochures that have made quite clear and definite the policy of British industry toward the questions of monetary policy, tariffs and Imperial preferences that are to be discussed at the Imperial Economic Conference at Ottawa in July. The views of the Federation have been communicated to the British government and have, moreover, been given the widest publicity throughout the world so that there might be intelligent understanding of what British industry desires by way of monetary and tariff changes.

In Canada the Canadian Manufacturers' Association has not done this, and has, on the other hand, gone to considerable pains to see that the general public should not know its definite policy regarding the matters to come before the conference. At the annual meeting in Ottawa this week one whole session was devoted to discussion by the manufacturers of Imperial Conference but the doors were tiled. No informative statement was issued to the press as to any resolutions passed, which was unfortunate, since there was not a word spoken at the session that could not as well have been said in public.

* * *

SOMEHOW the impression has gotten abroad in various circles—and very widely is held in the West—that the Canadian manufacturer is somewhat afraid of the conference; that he is desirous of obstructing it in every way in his power in order that no preferential agreements may be entered into that will lower in any respect the tariff on finished goods coming into Canada, whether those finished goods are being made here or not. No doubt the C. M. A. heads felt that if they were to express any public opinions on conference subjects that they would be accused of attempting to dictate government policy. But the F. B. I. has not been accused of trying to run the British delegation — although they have expressed decided views. It is quite likely that the policy of discussing the conference in private and communicating C. M. A. views to the Canadian government in private will have quite the opposite effect to that anticipated by the manufacturers; it will strengthen the suspicion that the C. M. A. is obstructionist in its viewpoint.

* * *

BUT whatever the public may decide to think about the C. M. A. attitude it should be made clear that the success of the conference in clearing channels for Empire trade is of vital importance to Canadian industry as a whole. The true leaders of Canadian industry recognize that fact and will, in the main, be found ready to encourage and support the Canadian delegation in effecting sound agreements.

W. H. Miner, retiring president of the Manufacturers' Association, did discuss the conference in his annual address but, as will be seen from a reading of his remarks which are published elsewhere in this issue, the C. M. A. policy is negative in character and conveys little significance.

It is unfortunate that at this juncture, when the Canadian public is so anxious to have the viewpoint of all classes of producers in Canada on the conference, the association that speaks for Canadian industry should have passed up the opportunity afforded by its annual meeting for a clear-cut expression of the industrial viewpoint and a definite promise of cooperation in the development of useful trade building policies of Empire.

* * *

Empire Currency Urged on Canada

VERY earnest and aggressive is the propaganda from Britain for the adoption of a new monetary policy by Canada. It is urged by leading British economists that we should tie our dollar to the pound sterling, and stop worrying about exchange fluctuations between Canada and New York. The natural affinity between the American dollar and the Canadian dollar—not so apparent of course in these abnor-

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POSTPONEMENT OTTAWA MEET NOT EXPECTED

World Conference Called U. S. Move to Head Off Ottawa

WORK PROGRESSES

Five Preparatory Committees Busy on Conference Work — Four Column Tariff for Britain

From Our Own Correspondent

OTTAWA.—Mr. Bennett's return from his visit to Western Ontario and other points will be the signal for the last drive of official preparation for the coming Economic Conference. Various preparatory committees have been working hard on individual problems, largely economic, and a substantial basis has been laid for the discussions that will take place.

The Government has not revealed its policy in any respect and has no intention of doing so. Even many of his intimate associates are unable to say whether Mr. Bennett has a clear-cut programme laid down or whether he will take to the conference sessions an open mind, prepared to listen to the representations of the other British nations and to formulate policies as the conference progresses.

Rumor Postponement

Unofficial Ottawa enjoyed a slight flurry of perturbation this week when there came simultaneously not only press dispatches but private messages that the British might ask to have the whole conference postponed. The basis of the rumors was that the larger world economic conference, that has been discussed between Premier MacDonald and Ambassador Mellon, might be considered by the British as of such paramount importance that the Ottawa conference should take second place. Washington is apparently alarmed by the rosy promises of the Ottawa conference and is afraid that action taken at Ottawa between July and September may further isolate the United States from world affairs.

In some quarters the suggested world economic conference is regarded as a strategic move by the Americans to head off any such results from the Ottawa conference. In view of the determined desire of the British to integrate the Empire it may be taken for granted that the Ottawa conference would be postponed in favor of a world conference only if the most definite assurances were forthcoming from Washington as to a new American policy on the question of reparations and war debts. In other words, Washington can buy off the Ottawa conference only at a bigger price than the administration there can pay in advance of the November presidential elections. Viewing the situation at large, Ottawa is inclined to discount rumors of postponement and the preparatory work will not be slowed down in any respect.

Five Preparatory Committees

Five committees are at work. The general preparatory committee, under the chairmanship of Dr. O. D. Skelton, Undersecretary of State for External Affairs, is the G. H. Q. of the conference work. The General Economic Committee, under Dr. R. H. Coats, Dominion statistician, is studying many such problems as Empire content of manufactured goods. The hospitality committee, which will be under Sir George Perley (although his appointment has not been officially announced), will arrange tours, banquets, and other functions for the outside delegates. But the two important committees are those on tariff and on finance.

The financial committee is under the chairmanship of Prof. W. C. Clark, of Queen's University, and is studying Empire currency, the sterling bloc and many similar questions.

The tariff preparatory committee is under the chairmanship of R. W. Breadner, commissioner of customs, and is studying each item in the Canadian tariff in its relation to the production of other Empire coun-

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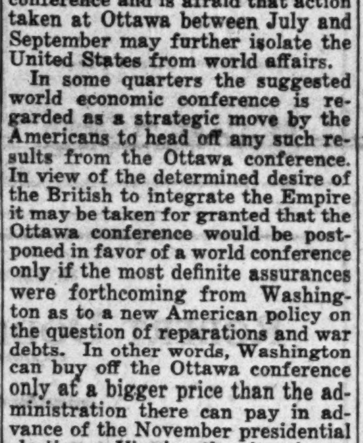
Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of June 7	20.9	18.7
Week of May 31	21.9	18.9
Month of June, 1931	46.1	35.2
8 Bank Stocks		
Week of June 7	154	149
Week of May 31	161	151
Month of June, 1931	232	218
10 Public Utilities		
Week of June 7	38	35
Week of May 31	39	34
Month of June, 1931	75	63

Highlights of the Week

Happenings That Make News for This Issue of The Financial Post

Brokers Come Out

Release of Moysey partners from Kingston sensationally uncovered when presence demanded in civil case. Page 1.

Conference Goes On

Suspected United States plot to block Ottawa conference does not slow down Ottawa's preparations. Some interesting facts on what is being done. Page 1.

Brightest Spot

Paramount Publix find Toronto briskest spot on continent. Investors told of company's plan for big fall drive. Page 3.

Our Past Crises

How Canada come through the crisis of 1837 told on page 9. Other stories of later crises will be told in subsequent issues.

Office Rents

They are coming down, a survey of the situation in Toronto shows. Page 8.

What Is a Bond?

Reorganization schemes menace bondholders. Mortgages are found to be no longer mortgages. Bondholders powerless to foreclose under present conditions. It is an alarming situation calling for early correction. Page 1.

Chinese Wall

The high tariff barriers between Canada and the United States have cut trade 60 per cent. The figures, complete and significant, on page 7.

Cities Borrow

It is the municipalities that are doing most of the borrowing now. Private business cuts loans but public business keeps on spending. Review of the month's bank statement. Page 13.

Depression Fires

Down goes business curve and up go fire losses, Fire Prevention Association is told. Page 12.

Bondholders Robbed of Their Fair Rights

In Many Cases Asked to Defer or Waive Interest, Yet Are Not Given Chance For Future Profit in Return

"Junius," who writes the article below, is a Toronto financial man who is a large holder of corporation bonds. He is critical of some recent schemes, railroaded through, under which bondholders have been asked to waive or defer interest on their securities without being given any compensation in the way of additional profit or income possibilities. He makes the allegation that under present financial practice the bondholder, who thinks he has a mortgage on valuable assets, finds his mortgage meaningless; that he is at the mercy of common or voting stockholders who pass bond interest at will without endangering their control of a company.

The Financial Post would be glad to get the views of Canadian investors on this article and the points it raises.

By "JUNIUS"

Default in payment of interest on bonds, particularly of industrial concerns, is becoming alarmingly common. When a company defaults on its bond interest the bondholders may think they have the right to seize the assets of the company as security. But under present corporation practice companies may default without running the risk of foreclosure by bondholders. The general investment public, the individuals who bought the bonds as legitimate sound investments, apparently are helpless to protect themselves. What hope is there for them if this practice, which is much too fashionable already, becomes even more prevalent?

Theoretically the bondholders should be as free to realize on the security of the bonds as the holder of a mortgage on improved real estate is to realize on the premises pledged to him. The latter can step in and assume active management of his security. If rented, he can collect the rents. If occupied by the mortgagor, he can obtain possession for himself. Ultimately, he can foreclose the equity of the owner and get an absolute title to the property for himself. In the alternative he can adopt a much quicker procedure by way of sale and pay over to the owner only such balance as remains after he has recouped himself in full for the principal, interest and expenses to which he has been put.

Public Loses Out Now

In the case of corporation bonds what do we find? Frequently the essential ownership of the corporation is in the hands of an individual or group by virtue of their holdings of some voting class of stock which only too often has cost them little or next to nothing. It was the general public, the bondholder or the purchaser of some preferred stock who put up the real money which financed the venture; or in many instances during the past boom who re-financed it on a basis which enabled the individual or group to take out their capital investment and remain in control of a concern so inflated that it had no real chance of successful operation in normal or sub-normal times. Now the general public is suffering.

Dividends are suspended first on the stocks the public hold. Continued default may confer voting privileges but usually far from sufficient to give control.

Finally default is made in payment of bond interest, and what happens? The general public has no real or at least no practical chance to control the situation. Unlike a mortgage on real estate, the rights of the bondholders are hedged around by conditions carefully worded in some trust deed which they had no practical chance to study before they made their investment. We find days of grace provided, provisions for meetings of bondholders, at which, by resolution of some named percentage of those represented at the meeting, interest and sinking fund payments may be suspended for definite periods.

Default is made. During the period of default a meeting of the bondholders is held. The general public, the individual bondholders, have no organization. Many in disgust and helplessness do nothing. Others accept the situation as inevitable and send in their proxies as requested. The individual or group in control frequently has sufficient interest in common with some large holder or holders of bonds to be assured of the requisite majority of those represented at the meeting or is assured of such control in some other way. Only too frequently these days, the final result of such meeting is suspension of bond interest and payments on sinking fund, but the equity group still remains in control, their holdings intact, and their salaries continuing.

Inflated Capitals Come Home to Roost

Details of company reorganizations in the recent boom are now duly coming to light which make it abundantly clear that the general public did not get the value for its money that it thought and had reason to believe it was acquiring.

The pertinent point is a consideration of what may be done to protect the general public, the individual purchasers of preference stocks and industrial bonds which have made default. The purpose of this article is to consider primarily the interests of the bondholder, the man who has paid for his investment and had no expectation of any material capital profit.

The situation of the holder of stock is different in that he bought subject to the rights of the bondholders but with the anticipation of a profit on his capital investment if the enterprise were a financial success. In purchasing stock he took the risk. The bondholder purchased for investment with good reason to rely on his security and on the payment of his interest regularly.

But when the company defaults is the bondholder not entitled to something else? If, in order to let the business carry on, he waives his right to foreclose on his security and to wipe out the holdings of stock which are junior to him, is he not entitled to compensation?

What Bondholder Is Entitled To

How can such compensation be granted? One reasonable proposition is suggested by the action of the Spanish River Pulp & Paper Mills, in 1915. It seems an apt example at the moment because of the present suspension of bond interest by Abitibi Power & Paper Co., Ltd., which some years ago absorbed the above-named company.

In 1915 the bondholders of Spanish River Pulp & Paper Mills, agreed to an extension of sinking fund payments not exceeding five years, subject, however, to the condition that the holders of bonds of the Spanish River Co., the Lake Superior Paper Co., and the

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MONT. POWER KEEPS WATCH BEAUHARNOIS

Meeting This Week May Clear Air on New Plans

TERMS OF CONTRACT

Montreal Utility Take Power Deliveries Over Long Period; 25,000 H.P. a Year

From Our Own Correspondent

MONTREAL.—Meeting of the Beauharnois bondholders committee this week again draws attention to the close association between that company and Montreal Light, Heat and Power Corp. Not only has Montreal Power entered into a long term contract for the supply of electric energy, but also it is understood to have a substantial stake both in the bonds and common stock of Beauharnois Power Corp.

The problem facing Beauharnois is the securing of additional capital to complete the project. The banks are in a position and willing to advance funds provided that sufficient guarantees are forthcoming. The Dominion Government has indicated the extent to which it will go in advancing funds, which should take care of needs for this year. After that, however, the company is faced with the necessity of finding a market for its securities or receiving aid from an outside source.

Look to Montreal Power

Several attempts were made to get the large Quebec power companies to take an interest in the enterprise, but little headway was made in that direction. The belief holds that Montreal Power, with its strong liquid position, is willing to see the project through to completion, but does not want other companies in the picture. In other words, Montreal Power would like to have this property but on its own terms.

It is necessary for Beauharnois to secure backing, either from Montreal Power or elsewhere, inasmuch as it is not in a position to complete its financing. A lot of jockeying is going on, but the opinion holds that sooner or later control of Beauharnois will pass to the Montreal utility. Before this happens it may be necessary to effect some readjustments in the present capital structure, but the extent of such adjustments can only be determined after Montreal Power has been asked to submit its proposal.

Contract Not Onerous

Financial circles in Montreal are speculating on the position of Montreal Power when it begins taking deliveries of power from Beauharnois this fall. The electric energy needs of the company are known to be less than a year ago, and the additional supply of power is looked upon as a liability rather than an asset for the present.

Considerable misinformation exists in regard to the contract between the two companies. Full deliveries—200,000 h.p.—will not start for many years. Under the terms of the contract, which runs until June 23, 2003, Montreal Power will take deliveries in blocks of 25,000 h.p. The first block is scheduled for delivery on October 1 this year. The second 25,000 h.p. starts on the same date each year and a similar quantity for each year until full deliveries of 200,000 h.p. are reached on October 1, 1939.

It is possible for the company to increase the amount of the annual deliveries beyond 25,000 h.p. a year as long as the aggregate does not exceed 200,000 h.p.

Pay $14.65 Per H. P.

For this power Montreal Power will pay to Beauharnois $14.65 a h.p. or at the rate of $30,520.83 a month for each block of 25,000 h.p. Payment will be made in Canadian funds.

The contract stipulates various penalties in the event the Beauharnois company is unable to make deliveries.

Limit Sales Area

It is also set forth in the contract that without permission of Montreal Power, Beauharnois cannot sell power on the Island of Montreal and in the territory within a radius of 30 miles from Place d'Armes, Montreal, excluding the countries of Beauharnois, Huntingdon and Chateauguay and a portion of the counties of Vercheres and Richelieu fronting on the St. Lawrence River to a depth of five miles from the river.

Pay Engineering Fee

Of special interest at this time, is the clause in the contract whereby Beauharnois agrees to pay to Montreal Power upon commencement of power deliveries a fee of $240,000 for engineering services rendered by the latter. An additional $40,000 is to be paid when deliveries reach 175,000 h.p. and still another $40,000 when deliveries aggregate 200,000 h.p.

The initial engineering fee covers the major share of the payments due by Montreal Power to Beauharnois during the first year's life of the contract, on the basis that the minimum of 25,000 h.p. is taken.

It is apparent from the foregoing that Montreal Power will not be faced with any particular problem in taking care of its contract with Beauharnois. If the annual rate of electric energy consumption of the past few years is repeated the company will have no trouble absorbing Beauharnois' deliveries.

Release Shutt, Hepplestone When Sought as Witnesses In Action Against Moysey's

Nfld. Bond Purchases Financed By Banks

Purchasers of the recent bond issue of the Newfoundland Government are enabled to have their purchases financed by the Canadian banks operating in Newfoundland under an agreement reached between the government and the banks.

Under this arrangement the subscriber pays $30 in cash and the balance of $67 is advanced by the bank against the security of the bond. Interest at the rate of 5½ per cent per annum is charged on this advance which must be repaid by installments extending over a period of twelve months.

LONDON OFFERS NEEDED OUTLET DEALERS HOPE

Other Borrowers May Follow B. C. Lead in Floating Bonds

Opening of the London market to Canadian high-grade bonds is regarded by many investment bankers in Canada as the best solution of the financing problem presently faced by the Dominion, several of the provinces and most Canadian municipalities. The result of the British Columbia loan recently raised in London has been watched with great interest since this is the first public offering of Canadian bonds in the London market since before the war. Other borrowers are stated to be watching the possibilities of the London market closely and further offerings may be made shortly.

Great Britain is stated to be thinking increasingly in terms of Empire and the "Buy British" campaign has effectively directed purchases to Empire products. This has brought a greater interest in the securities of the Dominions among which Canadian securities take high rank. The effect on British investors of the Grand Trunk Railway debacle has been dissipated in some degree and the London market is in a more receptive mood toward Canadian securities than for many years.

Canada Has Problem

Canada has a problem of financing of no mean proportions and it is conservatively estimated that there remains some $300,000,000 of new bond issues to be floated this year by the Dominion, the Canadian National Railway, provinces and municipalities. Dependent upon the New York market in recent years, Canadian borrowers appear to be excluded from this market for some time to come and in the opinion of bond dealers the absorptive power of the Canadian market under current conditions has been substantially decreased by the substantial volume of Dominion and provincial financing undertaken on a domestic basis in the past nine months.

Unless high-grade bond prices are to go still lower it is not regarded as likely that Canadian investors can absorb the volume of financing that yet remains to be done and that placement of all or part of several important issues in London would relieve the Canadian situation materially and probably enable many municipalities which have practically been barred from the domestic market to undertake necessary financing in Canada at comparatively reasonable cost. It is felt that London could take as much as $100,000,000 of Canadian issues with little trouble, since there is a comparatively strong market for high grades there at the present time.

Previous to the war years Canadian borrowing was chiefly secured in London, while in recent

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Order Asked from Courts for Production of Two Moysey Partners But in Meantime Brokers Have Been Silently Released from Prison

THOUGHT IN KINGSTON, REALLY IN ENGLAND

Conservative Member of Parliament Named as President of One of Companies Proceeded Against by Large Losers in Moysey Bucketing Operations

Two of the mining brokers sentenced to terms in Kingston penitentiary for bucketing and other irregularities in connection with the great mining boom of 1927 to 1929 and the subsequent collapse, have been released, The Financial Post is informed.

Their release came May 6, The Post is told, on the heels of a request for their production for examination in lawsuits intended to get to the bottom of the affairs of one of the largest of the bucketeering brokerage firms.

Sought as key witnesses in an important group of civil actions brought by New York interests against the Moysey brokerage houses, W. T. H. Shutt and James Hepplestone have been suddenly and dramatically released from Kingston penitentiary. One report has it that they are in France; but a leading lawyer, who claims to know where they are, says they are in England whither A. E. Moysey also has gone.

Who Issued Order for Release?

In any event the sudden departure of Shutt and Hepplestone from Canada has greatly embarrassed the plaintiffs in the Moysey lawsuits.

Who issued the order for their sudden release is a mystery. Ottawa declines to discuss the matter.

This denouément lends further zest to a financial story that has never been fully told. Powerful interests, whose names never came out in the brokerage trials, are supposed to have been interested indirectly in the operations of the Moysey firm.

Shutt and Hepplestone never stood trial but pleaded guilty to counts proffered against them by the Attorney-General of Ontario, chiefly one of bucketing stocks, and went to Kingston.

Thus no trial bared the secrets of the true ownership of the Moysey firm.

Recently an order was sought from Ontario courts for the production of these men to give evidence in the civil cases. But while it was being argued, they were already out of the jurisdiction of the court.

Various plaintiffs taking action against three Moysey companies, Market Securities and others found on trying to get an order for the production of James Hepplestone and W. T. Shutt to give evidence on examination for discovery, that these men had been released from prison with half of their sentence accomplished and that they were supposed to have left Canada for England.

Freedom for Others

As these men were incarcerated four months before six other brokers started on March 19,1931, to serve their sentences it appears likely that freedom also can be expected in about three months for the others.

The Financial Post cannot learn whether these men were let out on parole, ticket of leave, or simply freed unconditionally. Enquiry at Ottawa brought the statement that officials never discuss releases from prison. Their departure for England, however, complicates matters for those taking action against the Arthur E. Moysey & Co., James Hepplestone, W. T. Shutt, Market Securities, R. E. Jackson & Co., the last company having taken over the assets and business of Arthur Moysey & Co.

In the case of Arthur Moysey, residing in England for some years, that fact has made it necessary for one defendant at least to ask for an order for examination in England, and solicitors for plaintiff now have the onus of deciding whether they should advise their client to undergo the extra expense needed to follow these men up to England. Kenny L. Butler, of Easton Maryland, for example, names all these three men and the successive companies under which business was done while he was a client and is asking for $200,000 damages for alleged breach of contract. He has asked an accounting, and alleges that his purchases of mining stock from 1924 to 1930 were not made as instructed, that stock in every case was not delivered on his orders which he claimed were executed with cross sales practically eliminated transactions, that interest was charged to him on stock not held for him and that the brokerage company in other cases bought stock for company on his account and profited at his expense. All these allegations are denied by defendants.

M. P. is Named

In the case of G. F. Drewry versus A. E. Moysey & Co. et al, Market Securities is also named as a defendant. This company was a holding or selling company for Arthur E. Moysey & Co. with J. Earl Lawson, M.P., as president, K. V. Stratton, B. A. as secretary, John Elliott and Arthur J. Trebilcock as directors. Messrs. Lawson, Trebilcock and Stratton are lawyers who put through the incorporation on November 30, 1928, to take the place of a former company doing similar duties. The nature of its business was stated to be the buying and selling of securities and it is also stated in the latest return that the company has not been active in business since 1930. The amount of capital stock was shown as $40,000 whose actual value is

(Continued on page 2, col. 1)

Coming in The Post

Investors will read with interest the article this week that shows how many current bond reorganizations are robbing them of their just rights. The Financial Post will follow up this question in forthcoming issues by giving some examples of such reorganizations that are unfavorable to investors.

Look on page 9. There you will find a story of a crisis of long ago in Canada—one now forgotten. Time after time, Canada has weathered economic storm and come out still floating. The story of these crises will be told in a series of articles.

Pulp and Paper Companies Ask for Federal Assistance

Claim Crisis in Industry Warrants Extraordinary Measures by Government — Price Bros. Heads Group — No Official Action Taken

From Our Own Correspondent

OTTAWA. — Within the past week several pulp and paper companies have come to Ottawa seeking cash assistance from the Federal Government under the special powers taken in the 1932 Unemployment Relief Act.

These companies have urged that prevailing conditions in the industry are such as to warrant immediate Federal assistance, and that they constitute, in fact, a crisis. The powers they are requesting the government to exercise are set out in the statute as follows: The government is authorized "to loan or advance money to, or guarantee the payment of money by any public body, corporation or undertaking."

No Official Action Taken

Chief among those who have made these representations to Ottawa are Price Brothers, of Quebec. Several other paper companies, however, have joined, but it is understood that the International Paper Company is not seeking Federal aid.

While the government has full authority to take money out of the Consolidated Fund for the paper industry, or any other industry provided it is deemed necessary "to protect the credit and financial position of the Dominion," there is no indication that the government will consider the request favorably. In fact, the representations appear to have gone to Mr. Bennett and Finance Minister Rhodes, rather than to the cabinet as a whole, and, to date, no official action has been taken.

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THE T. EATON Cº LIMITED

RELEASE SHUTT, HEPPLESTONE WHEN SOUGHT AS WITNESSES

(Continued from page 1)

shown as 10 cents a share in last return while in the first return it was shown at 25 cents a share.

In the 1930 return and in all returns J. Earl Lawson is shown as president, but in 1930, W. H. T. Shutt was vice-president and R. F. Walsh, secretary. In the return at the end of 1929, Ross Moysey is shown as secretary. The incorporation papers gave the new company very wide powers. It was a private company whose shareholders are not named but about whom there is considerable speculation. The charter of the old Market Securities was surrendered at this time.

James Hepplestone, now released, was sent down in November, 1930, for three years and W. T. H. Shutt for two and a half years. There has been a feeling approaching almost to certainty among many of those who lost money on the stock market, when dealing with some of the brokers now serving prison terms, that there were in the shadows behind these men certain influential citizens who managed to escape detection.

LONDON OFFERS NEEDED OUTLET DEALERS HOPE

(Continued from page 1)

years some 47 per cent has been secured in New York and only about 4 per cent in London. In 1912, 74.8 per cent of Canadian financing was done in London; in 1913, 74.2 per cent and in 1914, 68.1 per cent. With the commencement of the war the London market was practically closed and in 1915 only 14.2 per cent of Canadian financing was placed in that market, while in 1916 the proportion was 1.5 per cent. Since that time Canadian financing has either been done internally or in New York.

The British Columbia loan of £1,500,000 was offered to yield 5.06 per cent at a time when high grade British government securities were selling at around a 4 per cent yield basis. The cost to the province was approximately 6.125 per cent, regarded as being well under cost of a domestic loan. In the first day subscriptions amounted to 80 per cent of the issue and the subsequent market has been close to the offering price. The New Brunswick loan negotiated previously is hardly comparable since it was not offered publicly in London and was practically all taken up by institutional investors.

POSTPONEMENT OTTAWA MEET NOT EXPECTED

(Continued from page 1)

tries and at the same time is studying each item of Canadian export in relation to the tariffs of the other countries.

Agriculture Is Problem

The most difficult problems have arisen in regard to agriculture and the committees have found it difficult to formulate definite suggestions to be made to the British Government for suitable preferences for Canadian farm products. Wheat is a real stickler, although high hopes are held for obtaining advantages for such products as hams and bacon.

It is understood that the Government has been somewhat disappointed by the reaction of the Canadian Manufacturers' Association to the questions asked of it. The Government forwarded to the C. M. A. a list of just under 300 items in the Canadian tariff, believed not now to be manufactured in Canada, and on which the British asked either a much lower tariff or no tariff at all. The manufacturers, it is understood, have taken the general stand that even where the items are not manufactured in Canada that the British preference should not be lowered below the present level, but that additional advantages should be given to British producers by raising the intermediate and general rates. This probably gives a clue to the general attitude of the C. M. A. and in view of the thirty-year old contention of the British manufacturer that Canadian preferences were of no value to him because even the British preferential rates were prohibitory in their application, the viewpoint of the manufacturers is regarded as difficult. The Government may finally decide to ignore these representations and those of any other group who do not show a willingness to make concessions for the general good.

Four Column Tariff?

There is some possibility that the British may present a four column tariff to the conference for consideration. The highest rates would be levied under such a British tariff against the products of all countries that do not enter into reciprocal arrangements with Britain —such as the United States and France. The next lowest group of rates would be offered to countries like Argentina, Denmark, etc., that would be ready to enter into reciprocity with Britain. The third column would be lower than even these most favored-nation rates and would be offered to all Empire countries. There would then be a fourth column, with rates so low as to touch the zero mark in most items, that would be granted to countries in the Empire entering into generous reciprocal arrangements with Great Britain.

Treaty With South Africa?

It is understood that Ottawa has been carrying on pourparlers with South Africa and that an effort will be made to conclude during the sessions at Ottawa a definite trade treaty with that Dominion, while at the same time the existing treaties with other dominions may come up for some revision.

B.C. Government Will Back Berry Shipment to Britain

Export of British Columbia's entire surplus of strawberries is assured by the action of the provincial government in backing the growers to the extent of $50,000 so that they can process from 500 to 700 tons of fruit for the British market.

The berries will be shipped in a solution of sulphur dioxide which will land them in Britain fresh and firm. As they enter Britain under a 25 per cent tariff preference they are assured of a successful sale there.

In Newfoundland

Having twelve branches long established in the important centres of Newfoundland, this Bank is particularly well equipped to assist its Canadian clients who desire to do business in that Colony.

THE BANK OF NOVA SCOTIA
Established 1832
Capital, $12,000,000. Reserve, $24,000,000
Total Assets over $265,000,000

BRITISH MILLS FAVOR DUTIES EMPIRE FLOUR

Say Quota Payments Otherwise Throw Advantage to Canadians

DUMPING ALLEGED

Strong Fight at Ottawa Conference Foreseen—Dominion Millers Need Outside Markets

Four milling companies in Canada apparently face a very anxious period in the next year. It had been expected that as the British millers exhausted the large and abnormally cheap supplies of Russian wheat, which had enabled them to hold the British market with cheap flour in great part against all comers, there would be a larger market for Canadian flours which ordinarily are popular in the United Kingdom. The temporary 10 per cent tariff with Empire preferences also seemed to offer great advantages to the Canadian exporter. However, British millers have so far held their own but are understood to be very anxious that Canadian millers will not have free entry into the United Kingdom market and that at the July conference in Ottawa strong representations will be made in that regard.

The Danger of Dumping

Some Canadians have been underselling British millers recently, and a cry of dumping has been raised. Some suggest that this cry is a little louder than necessary so as to strengthen the case of the British miller for protection against Empire millers as well as foreign millers. On this point A. H. Bailey, Canadian representative of the Northwestern Miller, writes in the May 25 number as follows:

"Advices from British flour markets lately have been stressing the fact that certain Canadian mills have been consigning considerable quantities of flour to agents in leading ports and that this flour is subsequently sold before landing or from storage at whatever prices buyers will pay.

"It is most unfortunate that this practice should reappear at this time. It is bound to create prejudices that will be harmful when tariff matters relating to flour come under discussion in government quarters to say nothing of the immediate damage to Canadian flour trade in the way of depressed prices.

"There is no doubt that 'dumping' will be one of the commercial practices most severely condemned at the Ottawa conference and there is equally no doubt that measures will be devised to prevent anything of the kind under the trading arrangements recommended for use within the empire. Nor will countries and industries that resort to this method be allowed to go unpunished. In this particular case the complaints have an exceedingly narrow application and there is not the slightest suggestion that Canadian mills in general are doing anything of the kind."

Quota Complicates Matters

The British millers are somewhat handicapped by the requirements that they should use a quota of home-grown grain and that may also be an argument for protection against Canadian millers having no such restriction. The Rt. Hon Sir Malcolm Robertson, chairman of Spillers, Ltd., at the annual meeting in Cardiff, Wales on May 7, described the Wheat Quota Act "as devastating a masterpiece of confused and unintelligible phrases as has ever emanated from those super-craftsmen in the art of word jumbling, the parliamentary draftsmen" and he thought it increased the difficulties of what was already a very complicated business. The requirements that the industry should pay to the farmers the difference between the average price for a season of home-grown millable wheat and 45 shillings a quarter may give them a real argument for protection against Canada. Sir Malcolm said millers regarded the quota system as both cumbersome and unnecessarily costly but they would do their best to work with it.

Wants Flour Imports Limited

With regard to the Ottawa conference Sir Malcolm was both cautious and clear. He was for a closer economic union, but he added:

"But it would not be fair to the shareholders of this company if I did not remind them of what I said last year, and did not warn them that if we are compelled to use a high quota of Dominion wheats, and are given no compensating advantage by the strict limitation of the imports of flours from overseas, both foreign and Dominion, then the interests of the company and of the milling industry generally will be very gravely affected.

"The price of our flour is as low as it is mainly because we are able to buy our wheats freely in the markets of the world and can thus obtain the cheapest wheats of the particular types that we need for our blends. Even so, Dominion and foreign flours are sold here in competition with ours at considerably lower prices than those asked in the countries of origin. Deprive us of the advantage that we have in the free market for wheat, and those flours will take more and yet more of our trade unfairly from us. This will not only do serious hurt to the milling industry, but to the farmer also.

Dumping Act Suggested

"If our home mills have to close down or to work short time, it is obvious that less wheatfeed will become available for stock and that the price of that wheatfeed will rise. It seems to me that a fair solution of the difficulty might be that, following the example of some of our Dominions in respect of the importation of various goods, we should permit the importation of Dominion flour only, provided that it be sold in this country at no lower price than that obtainable for the same quality in the country of origin, plus the cost of freight. I would point out that we are at a disadvantage even under the Home Quota Act, for whereas we have to make a quota payment on every sack that we deliver, that is to say on almost our entire make, overseas exporters only pay on that portion of their flour that they send to this country. They can therefore distribute the fractional cost over their whole output."

Canada is Over-milled

What Sir Malcolm had to say with regard to the milling industry in Canada is interesting because the company has two mills in Canada and has now had a good deal of experience here, much of it disappointing.

The trading results of our Canadian interests have again been disappointing.

Canada is, for its population, one of the most over-milled countries in the world, and the major part of the flour produced by Canadian mills has to be exported. Under the present state of world finance it is not surprising to find that the entire flour milling industry in Canada has been adversely affected, and our mills have suffered with all the others."

British Mills Compete Keenly

There is truth in Sir Malcolm's observations to the extent that Canada's milling industry was built up to export as well as mill for the domestic trade and that therefore the recourse by so many nations to high tariffs on flour has been harmful to Canadian interests. Even exports to Great Britain in April were only 113,654 barrels of flour as compared with 118,186 for April in 1931. To other countries April exports were 141,736 barrels whereas in the same month of 1931 exports were 207,915 barrels. The total April exports to all countries of 255,390 barrels were 159,399 barrels less than in March and 70,727 barrels less than in April, 1931.

Lowering of lake and rail charges to the Atlantic Coast have helped Eastern millers overcome the disparity between charges on their flour and that sent out from Vancouver. Since the opening of navigation this should have been of advantage.

Although some quickening of demand has been noted with a slight lowering of flour prices from the West Indies, Canadian trade with the British West Indies showed a falling off in the crop year so far. British mills appear to have been doing the business at Canadian expense.

Head Manufacturers for Coming Year

L. L. ANTHES W. C. COULTER GEO. HENDERSON

W. C. Coulter, president of the Coulter Brass Co., Toronto, was elected president of the Canadian Manufacturers' Association at its annual meeting at Ottawa this week. George Henderson, president and general manager of Brandram-Henderson, Montreal, becomes first vice-president and Major L. L. Anthes, president of Anthes Foundry, Ltd., Toronto, was elected second vice-president. Photo of Major Anthes by Milne Studios, Ltd.

Bondholders Robbed of Their Fair Rights

(Continued from page 1)

Ontario Pulp & Paper Co., should be entitled collectively to receive as extra interest a sum equal to 10 per cent of any amount which might at any time during the existence of the bonds be distributed by way of dividend on the common and preferred stocks of the company. As a result these bondholders received substantial enhancements to their income before their bonds were retired. They were well paid for waiving their rights to become sole owners of the property.

It is, generally speaking, not desirable to break up the organization and management of industrial concerns. This applies, not only because it is desirable to retain the continuity of management and operation of the company, but because it generally happens that when such a step is taken—even if the bondholders are recouped in full—there is little or nothing available for those who have invested in securities junior to them. It is, therefore, highly to be desired that some equitable arrangement should be made instead of winding up the company and attempting to realize on its assets.

But it must be borne in mind that the bondholders have every right to take this step and that many at the present moment are getting into the frame of mind to exercise it. A spirit of righteous indignation is beginning to smoulder and will soon break into flame. How much better it would be if corporations today would meet the situation openly and fairly with their bondholders.

Arrangement Should Be Made Fairly

If default in interest and sinking fund payments is desirable to preserve assets during this difficult period, it is essential that corporations before taking this step pave the way in a fair-minded manner. Let them, through the bondholders' trustee or otherwise, submit to each bondholder a comprehensive statement showing not only such data as appears in an annual statement but also details of administrative costs, executive salaries, directors' fees and incidentals for a period of years. Let those in control combine with this statement a suggestion of some reasonable scheme to recompense the bondholders out of the profits for the services they are requested to do the company in easing the burden by temporarily foregoing the payments which are due to them. If this were done the chances are that the bondholders of most defaulting companies would be satisfied. If some steps along these lines are not taken there is no telling what the results may be.

Certain it is that the bondholding class feel that present re-organization schemes ride rough-shod over their supposed privileges; that trustees seem more anxious to work in the interests of controlling stock-holders than in the interests of bondholders; that the bondholder is asked to forego capital profit in favor of a mortgage and is then denied his rights under the mortgage when default occurs.

The Nation's Business

(Continued from Page One)

mal times — would be consciously shaken off in order to produce a new affinity between the pound and our dollar? This is the great scheme of Empire-building that the British will bring to Ottawa and it probably is ranked by them as even more important than tariff preferences.

The argument presented is that without some equilibrium in prices as between the different countries in the Empire, preferential tariffs are meaningless. What might be a substantial preference today would be wiped out by some internal price fluctuations tomorrow. Therefore, before preferences can be made effective and Empire trade conditions stabilized, there must be achieved some equilibrium and stability in prices throughout the Empire. And the manner of achieving this is to be the virtual adoption by all the Empire countries of the pound sterling as the currency of Empire. Canada would not abandon its dollar but it would undertake to keep its dollar constantly at a level quotation with the pound regardless of the fluctuations of the dollar in terms of American dollars, French francs, or other foreign currencies.

* * *

OBVIOUSLY the first objection to the scheme is the undeniable fact that at the present time—although not necessarily for all time —our financial and commercial relations with the United States transcend in importance and volume our similar relations even with the Empire. Certain it is, in any event, that the index used by the average Canadian to measure the country's prosperity is the price of the Canadian dollar in New York and it will not be simple to disabuse the Canadian of this notion which is largely a fallacy although it contains a small grain of truth.

Sir Josiah Stamp, speaking in London, the other day, offered an ingenious answer to the objection that if Canada linked her fortunes with sterling she would be called upon from time to time to pay substantial premiums on her obligations payable in New York funds. He felt that this dilemma was more apparent than real for if Canada joined up with sterling, we would receive higher gold prices for our products when sold abroad and we would have therefore much more money with which to meet our New York obligations.

A somewhat similar argument was offered by a Canadian economist the other day who questioned if Canadian governments really lost anything by the discount on the Canadian dollar that made them pay high exchange premiums on their New York obligations. The higher prices for Canadian products received as a result of the depreciation of our dollar, the reduction of importations, and the stimulus given to business probably contributed more to the revenues of the governments than they lost by the premiums, he felt.

* * *

IF Canadians do not care to link the Canadian dollar with the pound sterling as part of a scheme of Imperial economic development the British have another argument handy which they will use for its full value. This is that the management of currencies and complete abandonment of the gold standard is necessary to arrest the continued depreciation of prices or, to put it as Sir Josiah Stamp always puts it, the continued appreciation of gold. To restore world prosperity prices must be raised, it will be argued at Ottawa, if a sufficient number of countries co-operate with Britain as she essays the task the price level can be restored. Canada, we are told, needs price stability desperately.

The arguments are at first glance convincing and there is no denying the economic wisdom of the British economists, financiers and industrialists presenting them. But obviously they see the Empire problem from the vantage point of Westminster or Lombard Street while we in Canada are faced with realities that are often more important than theories. Any change so revolutionary as moving our centre of monetary gravity to London is something that we should not be rushed into by the skilful propaganda of British economists and the patriotic appeals of ill-informed Canadians.

ABITIBI EARNED BOND INTEREST WHICH IT PASSED

Guarantee of $5,000,000 to Complete Power Project Was Responsible

60 DAYS GRACE

Waiting on Ontario Government to Decide What Aid It Will Give — Other Commitments

Abitibi Power and Paper Company's obligations as guarantor of completion of the $23,0000,000 Abitibi canyon project of its subsidiary, Ontario Power Service Corporation, by October 1, 1932, which will entail the finding of nearly $5,000,000, stood in the way of its securing the necessary banking accommodation for payment of its bond interest on June 1. A 60 day period must elapse before technical default is charged up against the company and in that period anything may happen. The Ontario Government is still expected to lend its credit for the completion of the project, even though Hydro no longer has an outlet for most of the power it contracted for but even if it does not it is understood that accommodation by creditors and patience by bondholders would make a few millions available.

It is rather curious that under the circumstances Ontario Power service bonds have shown greater strength than Abitibi bonds. The next interest date on Ontario Power Service bonds is July 1. Talk of Ontario Hydro accepting partnership in the undertaking and aiding in the financing, or that the province may guarantee a loan to complete the project is given credence by many.

What seemed well-considered plans of expansion when the company's credit was high and investment funds were abundant have now become a weight on its progress.

In addition to nearly $5,000,000, which somehow the company must find to complete the Abitibi Canyon project, the company has an obligation of $4,250,000 in connection with the purchase of General Power and Paper Co., Ltd., and this obligation is secured. At the end of 1931 the company only had one-half interest in the Thunder Bay Paper Co., but by April 30 it owned all the shares, causing the investment in subsidiaries to advance from $6,387,768 to $9,422,654 and the company's deferred liabilities to jump from $242,480 to $3,076,806. Of this amount $45,000 is payable in December, 1932, another amount of $190,897 is payable over 15 years and $2,840,909 is payable over 10 years. A total of $12,326,000, therefore, has to be met by the company before it can consolidate entirely its expansion programme inaugurated several years ago. Then it had expected to meet these commitments by financing, which has become impossible for the time being. There is also an amount of $666,328 representing the company's obligation in connection with subscription for shares of Newsprint Bond and Share Co. This brings the total to nearly $13,000,000, of which less than $6,000,000 is pressing so far as the public knows.

Earned Interest

Aside from these capital obligations the company apparently almost covered its interest after depreciation to April 30 this year. The April 30 balance sheet shows it to have increased its depreciation reserve by $354,000, while its earned surplus of $14,708,488 showed a decline of more than $58,000, even though bond interest accrued of more than $1,000,000 was shown among current liabilities. Cash on hand alone on April 30 was $1,047,362, which compares with $1,937,090 at the end of 1931. The difference is practically made up in part by the amount necessary to retire $880,000 of bonds in April. This was accomplished, it is understood, by the expenditure of little more than $350,000 at present market prices. Investment in bonds was shown at $1,517,980, but it is also to be noted that on the other side of the balance sheet bank loans of $2,130,000 down from $3,400,000 was secured. The company has, however, nearly $3,000,000 of customers accounts and $8,457,000 in inventories.

Those inventories were only reduced by about $1,000,000 during the four months and at that rate the company might have still about $6,000,000 at the end of the year and thus still not be under the necessity of resuming operations in the woods. While all estimates in the present demoralized condition of the newsprint market must be accepted with reservations it is interesting to note that one investment banker has analyzed the Abitibi situation and believes that, apart from consideration of its contingent liabilities, the company should earn $2,500,000 from its newsprint operations alone and with other income of $400,000 make about $2,900,000 before depreciation.

Premier Henry is reported in the Toronto press as having stated that no conclusions had yet been reached in the negotiations with the Abitibi Power and Paper Co. The Government's assistance for the completion of the project had been asked. The Prime Minister stated that Hydro had no immediate need for the power for which it had contracted. It may be added that Hydro spent $2,000,000 on transmission lines to carry this power, however.

Maritime Tourist Prospects Brighter Than in Past Year

Prospects for tourist business in the Maritime Provinces are exceptionally good this year, according to information given to H. W. Aslin, manager of the Nova Scotian hotel, during a visit to Boston, New York and surrounding territory. Railway, steamship and travel agencies stated that they had received more requests regarding the Maritime Provinces than at any time in the past.

To Protect Exporters

Canadian Foreign Credit Underwriters Ltd. has been formed to insure Canadian manufacturers against insolvency of foreign buyers. The new company is affiliated with American Foreign Credit Exchange and the complete facilities of that concern will be at the disposal of the Canadian company.

Carrying On
Its Traditions

THE Bank of Montreal was founded in 1817 in order to fill the need for a commercial bank in a young and growing country.

The Bank owes its success to the fact that it has always kept pace with the growth of the communities it has served and, in every way consistent with the principles of sound banking, has constantly endeavoured to be of genuine assistance to its customers.

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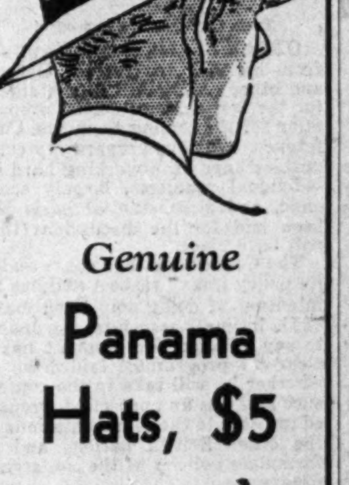

Genuine
Panama
Hats, $5

WE'VE been poking about the Panama hat markets for some months. We came across many we could have sold for less than five dollars, but the fibre was uneven or brittle, the bleach or weave was poor. We decided to go up a little, and now, at $5 we can offer you a genuine Panama hat of unusual quality, in the smart new shapes. Drop in and buy yours today!

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Give yourself a new and exhilarating experience never to be forgotten, stay in Chicago this summer, at THE DRAKE. Here sparkling waves and cool fresh lake breezes will beguile your hours of relaxation, yet the countless intriguing sights — theatres, shops, picture galleries — of Chicago's famous Loop are within easy walking distance. Drake food and service are unexcelled.

Pre-view the World's Fair buildings ... visit Chicago's Parks — the greatest park system in the world, linked by a hundred miles of boulevards. Play golf, go in bathing. See the leading baseball teams in action, sail on Lake Michigan, go to the races.

RATES ARE DOWN 20%
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Established 1871
50 BRANCHES IN TORONTO

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Consult the Manager of our nearest Branch.

FRASER COS. PLAN OF READJUSTMENT ISSUED TO PUBLIC

Comment is Absent Owing to Lack of Details

EXCHANGE SECURITY

Debentures, Unsecured Notes and Old Common Are Asked to Take New Common

From Our Own Correspondent

MONTREAL.—Official notice of the reorganization plans of Fraser Cos. has been made public. It was apparent from the last financial statement that the company would be unable to meet various obligations maturing at mid-year and plans for reconstruction have been expected.

Owing to the fact that plan of reorganization was not available at time of going to press, it is not possible to give a complete analysis of the new set-up. This will be done in next week's issue. The published advertisements calling meetings of the different security holders, however, give the scheme in broad outline.

Prior Lien Bonds

As regards Fraser Cos. it is proposed to set up an authorized issue of 6 per cent prior lien bonds, amounting to $2,000,000, of which $1,000,000 will be given to the banks for advances. At the same time holders of first mortgage bonds in the old company will be given new first mortgage bonds on a par for par basis. In this way $8,202,000 of an authorized issue of $15,000,000 6 per cent bonds will be issued. Another $2,800,000 of these bonds will be issued as part security for current advances, making a total outstanding of first mortgage bonds of $11,002,000.

Cut in Common Shares

Common shareholders will receive one new share of no par value for each ten held; in other words, the presently outstanding 403,782 shares will be reduced to 40,378.

Common for Debentures

Holders of Fraser Cos. 6½ per cent debentures will be asked to accept 2 new common shares for each $100 face value of debentures. A total of 120,000 shares will be required to cover this transaction.

There are also outstanding $500,000 of 3-year unsecured notes, holders of which will be asked to accept 2 new no par value common shares for each $100 face value of notes held. Another 10,000 shares will be required for this purpose.

Accordingly of the total authorized issue of 500,000 shares of no par value common stock, 170,378 shares will be issued, distributed as follows: present common stock, 40,378; debentures, 120,000 and 3-year notes, 10,000.

Another Voting Trust

It is further proposed that the common stock will be in the form of voting trust certificates. The proposed nominees for the position of trustees, of which there will be three, will be set forth in the plan; at present their names are not available.

Security of Mortgages

The new first mortgage bonds will be secured by specific mortgage on the fixed assets of Fraser Company and all outstanding bonds and shares of Fraser Paper Ltd. and all outstanding shares of Restigouche Co. and a floating charge on all other assets.

The bonds are to be dated January 1, 1932, and mature July 1, 1950. The first two years interest will be suspended and be payable in five annual installments beginning July 1, 1937, with interest on overdue interest of 6 per cent per annum. Further provisions are made in the event of failure to pay the July 1937, interest.

The sinking fund on these new bonds commences from December 1, 1936, on the same rates as established for the existing first mortgages.

Restigouche Set-up

Turning to the Restigouche Co. it is proposed to set up prior lien bonds to the authorized amount $1,000,000. It is understood that part of this issue will be released for current advances, but just how much will not be known until the plan is made public.

Distribution of Bonds

There will be created an issue of $4,846,000 of 6 per cent first mortgage bonds, of which $1,846,000 are to be issued in exchange for the present outstanding first mortgage bonds Series A of the Restigouche Co. and $3,000,000 in satisfaction of the 6 per cent 3-year secured notes of the Fraser Cos.

Provision is made permitting the Fraser Company, at its option, on or before June 1, 1934, to cancel the indebtedness of the Restigouche Co. to itself and to surrender the capital stock of the Restigouche Co. for distribution pro rata among the holders of the first mortgage bonds of the Restigouche Co., the whole in consideration of the release of the Fraser Company from its guarantee of the first mortgage bonds of the Restigouche Co.

The $5,000,000 of refunding mortgage and collateral trust bonds of Fraser Cos. are cancelled under the plan.

The $2,500,000 first mortgage bonds of Fraser Paper Ltd. remain unchanged.

No details are given in the published notices of the disposal of the bank advances to Fraser Cos. Some portion is taken up by the exchange of securities.

Hardware Trade Holds May Sales Activity

Much better volume of sales is reported in the retail hardware market in household lines this month. Business picked up considerably in the latter half of May, and is continuing quite active during June. The sale of electrical appliances is said to be keeping up well this year, and one maker of electric ranges states sales are exceeding expectations, states Hardware and Metal, Toronto.

Wholesalers report that sorting orders to keep retail stocks up are coming through in increased numbers and quantity. It is generally conceded that retail stocks are light, and by any marked buying movement necessitates re-ordering of stock. Price changes named by jobbers include lower prices on cotton twine and candlewick. Some lawn mowers at comparatively low prices have appeared in hardware and department stores this season.

Paramount Publix Hitting Line Hard With New Pictures

View of Exhibitor Prevailing as to Stars and Stories—Getting Away from Sex and Gangster Pictures—Public Patronizing Good Pictures Well

"Paramount-Publix is taking extraordinary measures to make its film releases for the year beginning in August next so attractive that it will draw crowds in every theatre that displays them. It is, of course, impossible to click in every one of thousands of theatres all over this continent with a profitable audience in every performance, but it is safe to say that Paramount has never appealed to the public with a stronger line-up of stars and attractions than in the season that will open in August."

This is the report brought back from Hollywood by J. J. Fitzgibbons, who looks after Paramount's interests in Canada. The Financial Post sought Mr. Fitzgibbons out in order to get as much information as possible for many Canadian holders of Paramount stock and the many hundreds of others who have held this stock in the past and who retain an active interest in the present fortunes and future prospects of the company. The same interest is felt by those who still hold stock in Famous Players Canadian Corporation, which is the principal Canadian subsidiary of Paramount. The Canadian company cannot ever be indifferent to the success attained as a producer by its parent company and it stands to gain from the efforts of Paramount to retain its pre-eminence in the industry.

Toronto Most Prosperous City

Before dealing further with the efforts now being made by Paramount in the hope of restoring profitable operation in 1932-33 it is interesting to quote Mr. Fitzgibbons with reference to the present experience of the Canadian company. Business throughout Canada in the moving picture theatres of the Famous Players Canadian Corp. is almost uniformly better than it is in those elsewhere on the continent. This does not mean that business has been uniformly profitable everywhere, but a glance over hundreds of pages of reports from individual theatres all over North America shows a surprisingly large proportion operating in the red just now, whereas in Canada the proportion of theatres showing profits is several times as great.

Paramount Publix is doing business in 65 countries scattered all over the world and in all of these the Canadian situation has one of the most favorable aspects. Mr. Fitzgibbons is particularly impressed with Toronto's results.

"Right here every week," he said, "I look over the returns from 1,600 theatres in Canada and the United States. I have the whole picture of each theatre in detail and I am inclined to think of each theatre as a barometer of the state of business of its locality. Judged by this standard Toronto is without a doubt the most prosperous and solid city in the whole North American Continent right now. Throughout Canada as a whole there is a quicker response to a really good picture than in any other district I know."

Giving What Public Wants

Asked for definite details to support his expectation that Paramount will hit the line hard from next August, Mr. Fitzgibbons said: "Well, in the first place, Paramount intends to give you, me and every other theatre-goer more the quality of entertainment he wants than ever before. To ensure that it has made a change which is almost revolutionary. Mr. Sam Katz, who made a tremendous success of exhibiting pictures in Chicago and who has, therefore, made a close first-hand study of the tastes of theatre-goers, has been the theatre operating head of Paramount-Publix for five years and is now general manager and first vice-president. Mr. Katz is devoting all his time to the production department and has practically moved his office out to Hollywood and therefore Hollywood is having an experience it never had before: he is an exhibitor out there demanding that pictures shall be made as he wants them made and he has full authority to make decisions and to negotiate and sign contracts without the necessity of long distance calls to New York City or anything like that. He thoroughly understands the importance of having good pictures. To strengthen our programme, for instance, he has worked out some mutually agreeable arrangements with Metro, whereby we will have stars like Clark Gable and Wallace Beery in some of our pictures this coming season. When you add these to Harold Lloyd, Marx Bros., and Dietrich pictures with Lubitch under contract and, of course, Chevalier, I am reasonably satisfied that Paramount will be the first picture producer of the industry."

Present Earnings Picture Cheerless

Queried with respect to present earnings of the company in the United States, Mr. Fitzgibbons said: "It is not a cheerful picture at present and throughout the whole industry earnings of the next 60 days are likely to be far worse. We are all very optimistic as to the future and not at all as to the next 60 days. This does not mean that I am expecting a sudden turn for the better in business next August. I do not. I would certainly not like to judge the future of the company on the next 60 days nor the future of any other company in the industry. No, we expect any change in our financial picture to come from our own efforts and results may even seem worse before they are made better when the new pictures come. Past experience in this business teaches us that we need a couple of good hit pictures to get us out of trouble, and with a line-up embracing stars like those I mentioned I do not see how we can miss doing better after August. Before August there is normally at this time a seasonal drop in attendance at movie theatres and a certain drying up of entertainment money in circulation.

Better Than Other Businesses

"We don't think good business is just around the corner, but we do believe that our business will be better than the railroad business, the mercantile business or most industries, if we can only get the right formula to draw the public and we think we can. Bad as times are and great as some of our difficulties are, we are as optimistic as it is possible to be."

Reducing Expenses Drastically

"What success are you having in reducing expenses?" he was asked.

"We are having some difficulty with organized labor. They do not seem to understand that there is a depression on and that it really does change a lot of things. That is getting adjusted, however. In this quarter alone we have reduced payroll expenses by about $5,500 weekly. This has been necessary and has entailed some reductions in salaries, a doubling up of work in other cases, elimination of overtime and a general consolidation of positions. Much statistical work, which formerly we felt to be necessary, has been eliminated. In our New York organization alone payrolls without executive salaries are about $500,000 weekly. Executive expenses there have been reduced $11,000,000 a year in the last two years.

Stars' Salaries Are Lower

"Salaries of stars are now down where they cannot have the silly luxuries which press agents credit them with. There is a lot of exaggeration about that. I have never found any of that out there. The outstanding stars are worth about as much as ever they were worth. Chevalier, for instance, is a tremendous asset to the company because of the very big returns we get on foreign negatives; and though his salary is supposed to be $15,000 a week he is certainly no liability to the company. He is believed to be one of the highest, if not the highest, paid movie star; at that the sum does not look nearly so large when the Government has taken its share."

Pictures Cost Less

"There have been some savings in cost of pictures. Last year good pictures were running between $500,000 and $750,000 to produce the finished negative; this year pictures with similar or better negatives are being obtained for about $400,000. The same proportion will hold all the way down to pictures which are being produced for as low as $45,000, and which cost about $75,000 last year. Take the case of Tarzan of the Apes; even though there were used some cut-backs from Trader Horn pictures taken in Africa, it still cost about $700,000 to produce.

"I don't think there is a moving picture theatre in Canada or the United States which has not cut its costs just as other businesses have."

Little Over-seating in Canada

"Are there too many theatres?" Mr. Fitzgibbons was asked.

"In Canada, with the exception of a few cities, there is not nearly the same problem of over-seating as there is in the United States, and the Canadian circuit is, speaking generally, in excellent shape. Most of our properties are owned in fee and those we have leased are with one or two exceptions theatres which we leased when times were not really booming. It may be necessary in many cases to ask for a new deal in the United States in the cases where leases represent boom ideas and expectations."

Asked about subjects of new films Mr. Fitzgibbons said: "The producer is getting away from sex-y and gangster stories; the public demands a better story. There will be a certain number of best sellers filmed, but also original stories of a more human type that do not express depression. The public wants to get away from thoughts of the depression. Possibly that explains the phenomenal success of Sunshine Susie, which has been exhibited for five weeks at the Uptown Theatre in Toronto. It was a simple, inexpensive film, but the public wanted to witness scenes of brightness and happiness and to hear a song like 'I am so happy.'"

Metal Prices

New York—June 7—

Copper: Electrolytic spot, 5⅝c. lb.

London—June 7—

(Long Ton)—

Copper: Electrolytic spot, £30 10s; future, £31 10s.

Standard spot, £26 7s; future, £26 7s 6d.

Tin: Spot, £115 10s; future, £118.

Lead: Spot, £9 15s; future, £10 2s 6d.

Zinc: Spot, £11 17s 6d; future, £12 2s 6d.

Silver: 16 15-16d. per ounce.

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The ROYAL BANK OF CANADA

CAPITAL $35,000,000 - RESERVES $39,155,106 - ASSETS over $750,000,000

TEXTILE FIRM DOES NOT FEAR OTTAWA MEET

Dominion Textile Head Presents Views at Meeting

From Our Own Correspondent

MONTREAL. — Pointing out that the Canadian cotton textile industry was well balanced and should have no fear of any detrimental effects from the results of the Imperial Economic Conference, F. G. Daniels, president and managing director of Dominion Textile Co., gave shareholders at the annual meeting a detailed description of the current position of the industry.

During his recent visit to Canada, the Hon. G. Howard Ferguson, High Commissioner for the Dominion in London, was quoted in an interview as saying that the Conference in Ottawa would doubtless result in the closing of a number of textile companies in Quebec in order to give British manufacturers a larger share of the business of the Canadian market. Though this statement was subsequently denied, it resulted in the selling of textile companies' securities and created uncertainty in the minds of other shareholders.

Reasons for Opinion

Numerous enquiries have been made of Mr. Daniels as to the possible adverse effects of the Conference on the cotton textile industry and in order to allay any uneasiness, he gave the shareholders a lengthy explanation of why he did not expect any detrimental effects from the meeting.

His remarks, in part, follow:

"The cotton industry in Canada is well balanced to produce the bulk of the requirements of the trade here. It is considered that, in general, it is up to date in its methods of manufacture and equipment to produce and distribute economically, considering the population and the territory covered.

"It is providing employment and a livelihood for a very large number of people living very largely in communities that would be very badly off without the cotton mills and their supplementary supply manufacturers. Centres such as Valleyfield, Magog, Montmorency Falls, Three Rivers, Que., Marysville and Milltown, N.B., and Yarmouth, N.S., are either entirely or largely dependent upon the employment provided by the cotton mills. A large number of other communities scattered throughout Eastern Canada, including Montreal, Toronto, and Hamilton, benefit largely by the labor of the cotton mills and their supplementary manufacturers. It is a very large consumer of power, coal, oil, chemicals, dyes, and the thousands of articles used in the business, and now manufactured in Canada. The cotton industry annually pays a very large sum for wages, railroad freight, and its contribution toward the taxes of Federal, Provincial and Municipal Governments is a very large one. As an industry, it is not over expanded, having in the neighborhood of approximately one spindle for each seven and one half inhabitants.

"Apart from greater extremes, necessitating the use of more coal for heating, the climatic conditions in that part of Canada where cotton manufacturing is carried on are equally as satisfactory as those of Great Britain. In fact, from the point of view of the health of the operatives, we consider it better.

"The British cotton trade has been passing through a difficult economic situation. In its heyday the demand from India, China and Japan encouraged a development that unquestionably was unsound and was due ultimately to bring disastrous results.

Views English Side

"Looking at the Lancashire side of the picture, we find that in 1913 Lancashire had an industry consisting of 55,600,000 spindles of which, approximately, 40,000,000 were engaged in what is known as the 'American Section' and 15,600,000 spindles in the 'Fine Spinning Section,' for a population of, approximately, 45,600,000, or, in other words, approximately 85 per cent of the spindles and looms in Lancashire were installed for world export trade. It is recorded that, in that year, Lancashire enjoyed 72 per cent of the cotton export trade of the world.

"With the outbreak of war, the situation began to change rapidly. India, China and Japan, which had always taken a very large proportion of Lancashire's cotton goods production, began to install, and, in the interval, have installed in the neighborhood of ten million additional ring spindles, purchased from English machinery manufacturers, which were operated by very cheap labor to the extent of from 120 to 132 hours per week. From a production angle, this was equivalent to an additional 25,000,000 spindles, all of which directly affected the Lancashire export trade. Actually, the productive result was more than this, as a ring spindle has a capacity of approximately one-third more than a mule spindle which largely predominates in Lancashire.

"The result has been that Lancashire not only has a reduced consumption from, but finds active competition in, the markets of the Far East, particularly from Japan, and now enjoys only approximately 45 per cent or less of the world's export trade. Notwithstanding this change in the situation, at the end of 1930 it was still trying to operate 40,000,000 spindles in the American section and 17,700,000 spindles in the fine spinning section, with disastrous results.

Bankruptcies Hurt Trade

"A very large number of mills have gone into bankruptcy, owing to the fact that, for the past ten years, there has been no profit in much of the production; and, in the interval, many thousands of millions of yards have been shipped abroad at a loss, and, in this respect, this country has suffered from the importation of goods sold at below their real cost. In the meantime, wages in the cotton industry in Lancashire are, if anything, little more than half of those paid in this country. If Lancashire succeeded in capturing and maintaining all the business now coming to Canada from Lancashire and the United States, it would probably add less than 2 per cent to its export business.

"Lancashire now enjoys preferential rates of duty varying from 34 to 37½ per cent in the Canadian market, and unless our Customs Department insist that goods be invoiced at a fair market value, i.e., cost of production plus a reasonable margin for selling and profit, we, in this country will continue to operate under the present unsatisfactory conditions.

"The operation of a tariff is a difficult one for the lay mind to understand, the general idea being that a 25 per cent protection means that much more profit to the Canadian cotton mill and higher prices for the goods. Such is not the case. A tariff is intended to preserve the home market for the Canadian manufacturer for those goods he is capable of producing economically and to meet those higher costs of production that are largely beyond his control.

"Under the present very low price of raw cotton and finished goods, an ad valorem duty returns (what should otherwise be sufficient) comparatively small protection in cents per pound. It is also obvious that for every cent per pound at which goods are exported to this country below the true cost, there is automatically deducted that much protection. For example, if a 20 per cent protection represents one cent per yard, and goods are sold one-quarter of a cent per yard below the true cost, there is automatically deducted 25 per cent of the protection, leaving the real protection only three-quarters of a cent per yard.

"I think that much good may come from the Imperial Economic Conference. Unofficial committees, representing the two countries, can be set up, and mutually satisfactory agreements recommended to the Government, protecting the consumer, and giving the British manufacturer a reasonable running start on other world manufacturers.

"The cotton trade here is fully prepared to do its utmost to further the expansion of trade within the Empire, and proposes making certain representations to the Customs Department at Ottawa that will permit its doing this."

PREFERRED GROUP OPPOSE SALES PLAN ATLANTIC SUGAR

Claim Cash for Common Gives Latter Best of Deal

Proxies are being solicited by a group of shareholders of Atlantic Sugar Refineries in opposition to the new plan for distribution of assets as unduly favoring the common shareholders at the expense of preferred. They state that the plan to pay off preferred share arrears of 82 per cent with a 5 per cent debenture in the new General Sugar Refineries, Ltd., while common shareholders are offered $30 a share in cash lets the latter out with a good sum while the preferred would have a piece of paper which would achieve definite market value near par value only if the company continues to be successful in the years ahead. Under present market conditions the debenture would not be worth anywhere near par in their opinion.

On the other hand a few common shareholders are reported as expressing dissatisfaction with the plan on the ground that they lose their interest in the company while preferred shareholders through the debentures get an even larger share in any future profits. One preferred shareholder of importance informs The Financial Post that this is the only plan which he has been able to agree with. In view of recent earnings applicable to the preferred stock—$42.28 in 1931 and $44.82 in 1930—he felt that he was making no sacrifice in accepting debentures. Others, however, would prefer to have the cash and let the future possibilities go. They say that part of the cash made available for the common stock could well be employed in paying arrears on preferred stock as $2,366,670 is needed to buy the common stock and only $910,200 to pay off arrears on preferred stock. Under present conditions they consider 5 per cent too low a rate to induce preferred shareholders to forego payment of arrears for ten years. As the arrears in dividend were more than covered in the last two years, these state that there is no reason to take special measures other than direct payment of preferred arrears.

The necessity of retiring a large portion of the $3,551,247 general mortgage bonds before arrears can be paid is not overlooked by the opposing groups who will press their views at the meeting on June 10.

On June 7 it was reported by the management that 84 per cent of the outstanding capital stock, preferred and common, had indicated acceptance of the plan of reorganization. Shareholders meet on June 10 to vote on the plan.

CITIES SERVICE TO DISCONTINUE ALL DIVIDENDS

Cities Service Co. has discontinued payment of dividends on all classes of stock after paying regular dividends on June 1. In a statement to shareholders, Henry L. Doherty, president of the company, says that the action was taken to conserve cash resources until such time as business conditions improve. Similar action has been taken with respect to the stocks of subsidiary companies, including Cities Service Power & Light Co., Empire Gas & Fuel Co., Arkansas Natural Gas Corp. and Louisiana Oil Refining Corp. The company has substantial interests in Canada.

Since 1928, subsidiaries of Cities Service Co. are stated to have expended $200,000,000 in expansion and development. This work was financed through re-investment of earnings and by advances from the parent company. As a result, Cities Service Co. now holds debts of its subsidiaries, on which interest charges are fully earned, of such principal amounts that the revenue in interest exceeds the amount of interest payable on Cities Service Co. debentures. The latter interest charges will be earned three times over during 1932, it is anticipated.

Earnings are Higher

Investments made in enlarging the business of subsidiaries have been made carefully and will be amply justified, in the opinion of the management, according to Mr. Doherty. Stockholders are urged not to sacrifice securities of Cities Service and other companies without regard to intrinsic values. From all information available to date this year and upon the basis of careful estimates for the remaining months of the year, Mr. Doherty states that it would appear that the consolidated net earnings of the company and its subsidiaries in 1932 will show a substantial improvement over 1931.

On June 1 Cities Service Co. paid the regular monthly dividend of 2½ cents in cash and ½ of 1 per cent in stock on the common stock; 50 cents per share on the $6 cumulative preferred and $6 cumulative preference BB stocks and 5 cents per share on the 60 cent cumulative preference B stock. Dividends previously declared payable July 1 were rescinded.

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THE ONTARIO LOAN AND DEBENTURE CO

LONDON, CANADA

61 Years in Business

Capital $2,000,000—Reserve Fund $2,200,000.

The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.

4% Paid on Deposits. 4½% on Debentures.

JOHN G. RICHTER, President. T. H. MAIN, Manager.

Dominion Textile Company Limited

BOARD OF DIRECTORS

Chairman: Sir Charles B. Gordon, G.B.E.

President: F. G. Daniels

Vice-President: Sir Herbert S. Holt

J. P. Black — W. A. Black — J. H. Webb

Sir Frederick Williams-Taylor

ANNUAL REPORT

Year Ended 31st March, 1932.

ASSETS

Land, Buildings and Machinery (Less Depreciation)		$19,028,401.14
Investments in and Advances to Subsidiary Companies		5,837,207.18
Raw Cotton	$ 824,315.74	
Stock Manufactured and In Process	1,656,653.04	
Supplies	294,278.46	
Cash and Bills Receivable	1,194,922.72	
Open Accounts	1,908,724.11	
Insurance	81,771.01	
Investments (Liquid) and Call Loans (Less Reserve)	5,324,433.22	
TOTAL LIQUID ASSETS	$11,285,098.30	11,285,098.30
		$36,150,706.62

LIABILITIES

Capital—Common Stock (authorized 350,000 shares: issued 270,000 shares no par value)	$18,375,000.00	
—Preferred Stock	1,940,600.00	
Bonds	4,912,000.00	
		$25,227,600.00
Loans	$2,490,914.22	
Open Accounts and Deposits (including Reserve for Income Tax)	512,853.54	
Allowance for Wages	231,000.00	
" " Interest on Bonds	24,560.00	
" " Preferred Dividend	33,960.50	
TOTAL LIQUID LIABILITIES	$3,293,288.26	3,293,288.26
Reserves (Bad and Doubtful Debts, etc.)		266,552.43
Profit and Loss Account		7,363,265.93
		$36,150,706.62

C. B. GORDON, *Chairman.*
F. G. DANIELS, *President.*

AUDITORS' CERTIFICATE

Audited and verified in accordance with our certificate of audit dated May 18, 1932. (Signed) P. S. ROSS & SONS, Chartered Accountants, Auditors.

DIRECTORS' REPORT

To the Shareholders;

The financial statement and profit and loss account as at the 31st March, 1932, certified to by your auditors, is herewith submitted.

Sales for the year amounted to $13,854,636.96, a reduction from the previous year of 9.2%. For the 9.2% lower value of sales, we produced and shipped 1,661,000 more yards of grey cloth, and processed through the Magog Print Works 4,300,000 yards more coloured goods than in the previous year. Cotton had the usual wide fluctuations:—Starting our fiscal year at 10.70c, it touched a low of 5.32c in October, and ended with 6.10c on the 31st March, 1932.

Operations varied from month to month throughout the year with a low of 49%, a high of 79%, and an average of 64.10% for the year.

During the month of September, Great Britain went off the Gold Standard, and, with the accompanying heavy slump in the market value of the Pound Sterling, a rise was expected in the price of cotton goods; but, whilst there was a very moderate rise in some types of goods using American cotton, it flattened out quickly and goods were sold on this market at an even lower margin for profit than in the past.

The cotton goods situation in both England and the United States is extremely bad, over-capacity and over-production being largely responsible for cloth selling for several cents per pound below a value to represent cost of production and any small margin for profit.

No change has taken place in the physical condition of your plants, and your directors desire to express their appreciation of the efficient services rendered by the staff and employees throughout the Company.

Respectfully submitted,
C. B. GORDON,
Chairman of the Board.

PROFIT AND LOSS ACCOUNT

Year Ended 31st March, 1932

March 31st, 1932—		March 31st, 1931—	
Interest on Bonds	$296,470.00	Balance at Credit	$7,515,551.83
Premium on Bonds Redeemed	3,500.00	March 31st, 1932—	
Dividend—Pref. Stock	135,842.00	Manufacturing Profit	1,071,[illegible]
" —Com. Stock	1,350,000.00	Interest on Investments	562,272.67
Balance at Credit	7,363,265.93		
	$9,149,077.93		$9,149,077.93

Audited and Verified,
P. S. ROSS & SONS,
Chartered Accountants.
Montreal, May 18th, 1932.

C. B. GORDON, Chairman.
F. G. DANIELS, President.

Utilities and Transportation

CENTRAL STATION POWER OUTPUT LOWER IN APRIL

Continued Ontario Decline Offsets Gain in Other Areas

From Our Own Correspondent

MONTREAL.—Output of central electric stations in Canada declined in April, both in comparison with the preceding month and with April of a year ago, according to returns compiled by the Dominion Bureau of Statistics.

Production from all stations in April last amounted to 1,334,323 thousands of kw.h. This compares with 1,393,172 and 1,502,338 thousands of kw.h. in March, 1932, and April, 1931.

Ontario Suffers Most

Returns by economic areas clearly indicate that the industry has suffered most in Ontaio, where production is down more than 25 per cent from levels prevailing a year ago. The Maritimes, in particular, have increased output, while the other areas have just about held their own.

Details of the outcome of electrical energy generated by water power in April, 1932, and 1931 follow:

Generated by Water Power
(000's Kilowatt Hours)

April:	1932	1931
Maritimes	50,445	42,968
Quebec	700,575	744,861
Ontario	365,448	509,615
Prairies	99,544	92,601
British Columbia	93,091	90,908

Cumulative Output Off

During the first four months of the current year production amounted to 5,485,078 thousands of kw.h., as against 5,747,604 thousands of kw.h. for the same period in 1931. The Maritimes, Prairies and British Columbia are the only areas to report a gain, both Ontario and Quebec being under last year's figures. The decline in Quebec is relatively small, but that in Ontario is more significant, amounting to roughly 360,000 thousands of kw.h.

Particulars follow:

Generated by Water Power
January-April
(000's Kilowatt Hours)

	1932	1931
Maritimes	190,319	152,797
Quebec	2,827,192	2,858,514
Ontario	1,495,812	1,853,178
Prairies	455,835	381,172
Brit. Columbia	399,275	394,736

Fuel Output Grows

Generation of electrical energy by fuel has been a feature of central station reports since the beginning of the year. Production credited to this source has shown a consistent increase from month to month, while cumulative returns are ahead of those reported in 1931. The Prairies have shown some slackening off of late, but the output in other provinces has gone ahead steadily, as will be seen in the following compilation:

Generated by Fuel
(000's Kilowatt Hours)

April:	1932	1931
Prairies	12,469	16,437
Other	12,751	4,948
Total	25,220	21,385
Four Months		
Prairies	66,386	76,424
Other	50,259	37,358
Total	116,645	113,782

Exports Continue Decline

One reason for the decline in central station activity has been the pronounced falling off in exports. Last April exports totalled only 54,963 thousands of kw.h., as against 117,504 thousands of kw.h. in the same month of 1931. For the first four months of this year exports aggregated 224,566 thousands of kw.h., or less than half that reported for the same period of 1931.

Details of exports follow:

(000's Kilowatt Hours)

	1932	1931
April	54,963	117,504

Four Months

1932 .... 224,566 1931 553,348

STREET CAR FARES ON B. C. ELECTRIC BEING DISCUSSED

From Our Own Correspondent

VANCOUVER.—Street car fare negotiations between the city and the B. C. Electric Railway (B. C. Power) will be resumed shortly as a result of the investigation made by auditors into the figures submitted by the company to support the argument that fares could not be lowered.

Members of the council stated that the auditors' report indicates some disagreement with the company statement, and W. G. Murrin, president of the B. C. Electric, will attend the conference at which negotiations are to be continued.

Earned $202,843 in 1931

Auditors were chiefly concerned with the year ended June 30, 1931, during which the company stated it earned $202,843, representing the difference between gross income of $3,346,946 and operating expenses of $3,144,103 with a capital investment of $11,570,638. Three year earnings at a seven cent fare, and four tickets for 25 cents, had been approximately 2¼ per cent, according to the company's claims. These figures, of course, related solely to street car operations of the company.

Over-charged $53,000

The auditors showed how the company arrived at its administration costs for the city lines calculated as an arbitrary percentage of the total administration cost of all branches, including light and power, and furnished an analysis of the investment said to be chargeable to city lines. With regard to materials and supplies, the auditors said that Vancouver lines had seemingly been overcharged by $53,000.

A cost of $455,112 had been entered against the Vancouver lines by dividing the total cost of supplies by the percentage of the capital invested in city lines as compared to the company's total capital investment exclusive of Vancouver Island. If Vancouver Island was eliminated from the investment, materials and stocks there should also be eliminated from the computation, the auditors maintained, an item showing an apparent overcharge of $53,000 to Vancouver.

Canadian Manufacturers Depend on Electric Power

Manitoba Takes Lead Among Provinces in Use of Electricity, as Shown in Federal Report

From Our Own Correspondent

MONTREAL.—Manufacturing industries in Canada, as a whole, show that 74 per cent of the power employed in 1931 was electric power, as against 72 per cent for 1928 and 69 per cent for 1926. Several industries operated entirely on electric energy, the three largest industries being the automobile, bridge and structural steel and coke and gas. There were many other industries for which 90 to 100 per cent of the power employed was electric power and there were also many individual plants operating entirely on electric energy even in industrial groups showing ratios of 90 per cent or lower.

Total power employed in manufacturing industries last year, excluding central electric stations, amounted to 4,051,744 h.p., according to a compilation of the Bureau of Statistics. Manitoba showed the greatest percentage of equipment driven by electricity with 88 per cent. Ontario was second with 80 per cent and Quebec third with 72 per cent.

Paper Industry Plays Important Part

In respect to power used the pulp and paper industry was the dominant factor in New Brunswick and Quebec, accounting for 53 and 60 per cent, respectively, of the total power equipment in these provinces and for 73 and 63 per cent, respectively, of the electric motors in manufacturing industries. When the pulp and paper industry is deducted the percentage of power equipment driven by electricity for Canada remains unchanged at 74 per cent, but the ratio for Nova Scotia is raised to 52 per cent, for New Brunswick it is lowered to 36 per cent and for Quebec to 67 per cent. For Ontario it is raised to 83 per cent and for British Columbia and the Yukon to 74 per cent, but for Manitoba it is lowered to 84 per cent. Even after deducting the pulp and paper industry Manitoba shows a greater percentage of electrically driven equipment in other manufacturing plants than any of the other provinces. This is due mainly to large quantities of cheap hydro power available in Winnipeg.

Mining Industry Is Large User

A feature of the returns is the relatively high percentage of power employed in the mining industries. During the past year electric power represented 76 per cent of all power employed. This represented a gain of 6 per cent over that reported for the preceding year. The largest gain was made in the coal, gas and petroleum group, though all divisions showed a larger percentage of electric power employed in 1931 than was the case in 1930.

Following will be found a statistical abstract showing the amount of power employed in manufacturing industries by provinces; by the mining industries, and by individual industries. In each case the percentage of electric power used in 1930 and 1931 is given:

TOTAL POWER EMPLOYED IN MANUFACTURING INDUSTRIES IN CANADA*
1930

Province:	Total power employed H.P.	Electric power per cent of total P.C.
Prince Edward Island	3,869	27
Nova Scotia	168,693	60
New Brunswick	127,337	63
Quebec	1,498,637	72
Ontario	1,613,214	80
Manitoba	115,524	88
Saskatchewan	28,815	57
Alberta	65,783	69
British Columbia & Yukon	429,922	67
Canada	4,051,774	74

*Excluding central electric stations.

POWER EMPLOYED IN THE MINING INDUSTRIES IN CANADA†

Industries:	Total power	Electric power per cent of total 1931	1930
Metal mining	244,353	83	82
Non-metal mining	57,307	90	87
Sand, gravel and stone	42,847	72	67
Coal, gas and petroleum	164,500	61	51
Total mining†	509,007	76	70

†Excluding non-ferrous smelting, salt, cement, clay products and lime.

POWER EQUIPMENT OF MANUFACTURING INDUSTRIES IN CANADA‡

Industries:	Total power employed H.P.	Electric motors operated	Electric power per cent of Total 1931 P.C.	1930 P.C.
Vegetable products	313,527	225,845	72	74
Biscuits, confectionery, etc.	20,419	17,378	85	..
Breweries	22,850	17,557	77	86
Feed mills	36,833	8,767	24	25
Flour mills	83,031	50,952	61	63
Rubber goods	62,928	60,003	95	100
Sugar refineries	18,078	17,213	95	95
Animal products	105,833	76,985	73	71
Butter and cheese	26,552	18,948	71	70
Slaughtering and meat packing	35,814	30,799	86	83
Leather tanneries	13,578	11,296	83	..
Textile and textile products	171,324	145,531	85	79
Cotton yarn and cloth	76,746	66,015	86	77
Hosiery, knit goods and gloves	16,980	13,009	77	72
Dyeing, cleaning and laundry	15,696	10,570	67	..
Wood and paper products	2,126,515	1,400,790	66	67
Furniture	21,998	13,175	60	54
Planing mills, sash and door	49,077	29,568	60	51
Printing and publishing	22,996	21,048	92	90
Pulp and paper	1,634,784	1,200,570	74	75
Saw mills	316,176	75,970	24	27
Iron and its products	576,609	512,992	89	79
Agricultural implements	25,426	20,058	79	78
Automobiles	42,379	46,703	100	100
Castings and forgings	62,420	58,543	94	89
Machinery	33,646	30,096	89	86
Primary iron and steel	204,639	162,055	79	..
Railway rolling stock	107,698	97,821	91	83
Bridge and structural steel	23,091	23,242	100	..
Non-ferrous metal products	401,817	332,090	88	..
Brass and copper products	17,645	17,322	98	96
Electrical apparatus and supplies	77,507	74,891	92	99
Non-ferrous metal smelting	297,802	281,014	78	74
Non-metallic mineral products	213,917	187,484	88	88
Cement	80,909	76,035	94	100
Clay products from domestic clay	29,291	21,974	75	66
Coke and gas products	24,365	24,606	100	93
Petroleum products	30,039	16,270	54	50
Chemicals and chemical products	87,382	68,741	79	71
Acids, alkalies and salts	51,976	38,520	74	..
Miscellaneous industries	54,820	46,993	86	..
Ice, artificial	9,948	9,492	95	..
Shipbuilding and repairs	28,183	24,966	89	88
Total all manufacturing industries‡	4,051,744	2,997,401	74	72

‡Excluding central electric stations.

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DOMINION OF CANADA AND PROVINCIAL BOND ISSUES

57

TRUSTEE SUES MONTREAL RAIL FOR LARGE SUM

Montreal Trust Acts to Protect Interest of Bondholders

From Our Own Correspondent

MONTREAL. — Montreal Trust Co., in its capacity as trustee of the first mortgages of the Montreal Rail and Water Terminals Ltd., has entered suit for $3,195,000 against the company to protect the interests of the bondholders.

The company recently defaulted on its bond interest payments and a petition for a winding-up order was filed. It had paid interest on the bonds on August 1 last, but when interest again fell due on February 1, the company defaulted. Shortly afterward a petition for a winding up order was filed in the Superior Court and that proceeding is still pending.

The action now taken by the Montreal Trust is the ordinary proceeding under the trust deed to protect the holders of the first mortgage debentures.

Canadian Terminal Control

Montreal Rail came into being six years ago, when it was formed for the purpose of building and operating a large cold storage warehouse in Montreal. Financing took the form of $3,000,000 of first mortgage bonds, $600,000 of general mortgage bonds, $200,000 of debentures, $600,000 of preferred stock and 200,000 shares of no par value common stock. The senior issue was underwritten and sold to the public by two American investment banking houses. The general mortgages were sold in Great Britain, while the debentures were not publicly offered. The common shares were deposited in a voting trust of six years duration, to be administered by John McMillan, Sir William Hearst and Martin Lindsay.

Majority control of these voting trust certificates is held by Canadian Terminal System.

EAST KOOTENAY INCOME LOWER FOR LAST YEAR

Profits Insufficient to Cover Preferred Dividends

From Our Own Correspondent

MONTREAL.—Net earnings of East Kootenay Power Co., controlled by Power Corp. of Canada, were insufficient to take care of preferred dividends during the year ending March 31, 1932, even though no allowance was made for depreciation.

Gross income in 1931-32 totalled $480,511. This is the lowest figure since 1929 and compares with $541,811 in 1931. There was a decline in operating expenses to $175,976, leaving net earnings of $304,535, as against $353,242 in the preceding year.

Deficit After Charges

Following the custom instituted in 1928, no provision was made for depreciation in last year's statement. The balance available for dividends amounted to $69,925, as compared with dividends of $70,000. In the previous year dividends had been covered by a margin of $6,887.

Details of the income account follow:

	1932 $	1931 $
Gross revenue	480,511	541,811
Expenses	175,976	188,569
Net earnings	304,535	353,242
Less:		
Interest	234,610	276,355
Net revenue	69,925	76,887
Less: Pfd. divds.	70,000	70,000
Balance	*75	6,887
Brt. forward	72,033	65,146
Carried forward	71,958	72,033

* Deficit.

The balance sheet as at March 31, 1932, shows little change from that reported on the same date a year ago. Total assets are listed at $5,607,878, up from $5,557,632. The gain was largely attributable to an increase of about $37,000 in plant account and $24,000 in the value of materials and supplies.

More Notes Outstanding

On the liabilities side of the balance sheet, funded debt had been reduced from $2,169,000 to $2,146,000. Offsetting this, however, is an increase in demand notes payable to Power Corp. from $1,862,826 to $1,954,247. Current liabilities are about the same, though on a slightly smaller scale.

Since the close of the fiscal year the dividend on the 7 per cent cumulative preferred stock was passed.

In commenting upon operations last year A. J. Nesbitt, president of the company, stated that conditions were unfavorable. The coal mines worked on short hours, while the metal industries were inactive, all of which affected the demand for power. At the same time the company's property was twice threatened by serious forest fires, which did some damage to transmission and tie lines, all of which added to the cost of operations during the year.

Grand Forks Shuts Out West Kootenay Power Co.

From Our Own Correspondent

VANCOUVER — Insistence of the city of Grand Forks on establishing its own power plant, and making use of this power within its municipal boundaries, while at the same time expecting the West Kootenay Power & Light Company to continue supplying power to the less profitable market in the irrigation district nearby, has provided the provincial government with a complicated public utilities problem.

Grand Forks is ready to start using power from its own plant within a few days. The government's view, it is understood, is that the city and the irrigation district cannot be divided in this way and also that the West Kootenay company cannot be expected to supply the irrigation district at a loss after losing the city, its profitable consumer.

The provincial cabinet is now dealing with the issue, and the decision may set an important precedent in the handling of hydro-electric power resources in this province.

Public Utility Earnings

Can. Western Natural Gas

	1932 $	1931 $	Increase $
January	296,751	262,103	34,648
February	338,591	226,842	111,749
March	287,945	232,102	55,843
Total	923,287	721,047	202,240

Ontario Hydro in Lead As Producer of Power

From Our Own Correspondent

MONTREAL. — Hydro-Electric Power Commission of Ontario retained its lead last year as the larger producer of electrical energy in Canada, though its production was cut nearly 25 per cent. Shawinigan Water and Power and Canadian Hydro-Electric Power Corp. closed up the gap to a large extent, though these two companies did not effect any material change in their output last year as compared with 1930.

One of the interesting features of the Government's report on the 24 largest power producers in the Dominion, was the inclusion of three new companies in the 1931 statement. These were: Alcoa Power Co., Churchill River Power Co., and the James MacLaren Co.

Two Are Dropped

Dropped from the list were the Kaministiquia Power Co. and Dominion Power and Transmission Co. The figures of the latter were included with those of Ontario Hydro for 1931, so that the decline reported by that agency in 1931 is even greater than the figures would indicate, inasmuch as Dominion Power had a production in 1930 of 160,787,100 kw.h.

Ranking of the producers in order of output did not change during 1931 in so far as the first five companies were concerned. The balance of the list, however, shows a number of interesting changes.

Winnipeg Electric Gains

Winnipeg Electric has moved up from 8th to 6th place. West Kootenay Power has dropped back one, while British Columbia Power moves up from 9th to 8th place. Canadian Niagara Power dropped from 6th to 9th place, while Canada Northern Power remained unchanged in 10th place. Southern Canada Power slipped back from 15th to 20th position. Price Bros. and Co. went back even further—from 13th to 20th position.

Output of the 24 largest operators are shown hereunder, together with 1930 comparative figures:

OUTPUT OF 24 LARGEST CENTRAL ELECTRIC STATION SYSTEMS IN CANADA

	Kilowatt hours generated 1931	1930
Hydro-Electric Power Commission of Ontario	3,221,554,455	4,057,573,673
Shawinigan Water and Power Co.	2,908,315,549	2,858,234,633
Quebec Power Co.		
Canadian Light and Power Co.		
Canadian Hydro-Electric Power Corp.	2,412,326,862	2,523,735,688
St. John River Power Co.		
Dalhousie Mill (steam)		
Duke-Price Power Co.	1,518,632,376	2,012,869,375
Montreal Light, Heat & Power Consolidated	763,929,381	1,027,181,645
Winnipeg Electric Co. and Manitoba Power Co.	608,586,000	597,900,870
West Kootenay Power Co.	591,772,849	509,257,403
British Columbia Power Corp.	490,128,483	474,875,319
Vancouver Power Co.		
Western Power Co.		
Canadian Niagara Power Co.	482,783,500	607,014,300
Canada Northern Power Corp.	418,226,810	367,130,780
Winnipeg Hydro-Electric System	346,100,772	355,930,500
Abitibi Electric Development Co. Ltd.	216,296,601	262,958,824
Alcoa Power Co. Ltd.	206,468,353	(new)
Nova Scotia Power Commission	173,924,966	151,414,019
Churchill River Power Co. Ltd.	165,530,600	(new)
The James Maclaren Co. Ltd.	163,639,575	(new)
Calgary Power Co.	154,500,070	135,106,382
Montreal Island Power Co.	146,048,890	105,805,180
Huronian Power Co.	145,018,675	142,836,845
Southern Canada Power Co.	142,910,400	156,453,380
Price Bros. & Co.	136,697,900	168,631,800
Great Lakes Power Co.	88,217,675	85,424,471
Ontario and Minnesota Power Co.	84,930,000	86,363,000
East Kootenay Power Co.	76,317,102	79,349,960
Total	15,662,857,844	17,098,613,028

Power Export Off Materially For Past Year

From Our Own Correspondent

MONTREAL. — Changed industrial conditions in the United States in 1931 are reflected in a drop of nearly 400,000,000 kw.h. of electrical energy exported to that country from Canada last year.

Returns gathered by the Bureau of Statistics show total exports in 1931 of 1,235,324,786 kw.h., as against 1,619,602,712 kw.h. in the preceding year.

Ontario Hydro Power Commission—Canada's largest exporter of power—experienced the greatest falling off in exports last year, more particularly in relation to surplus power.

Big Companies Suffer

Cedar Rapids Power and Manufacturing Co., subsidiary of Montreal Light, Heat and Power Cons. reported a heavy decline in exports, as also did Canadian Niagara Power Co.

Following is a list of the companies exporting power to the United States, showing deliveries in 1931 together with comparative figures for 1930:

Kilowatt Hours Exported, 1931
(1930 Figures in Brackets)

	Total
Ontario Hydro	366,303,300 (383,411,500)
Ontario Hydro (surplus)	169,152,943 (401,827,777)
Cedars Rapids D. & M.	389,071,521 (476,400,847)
Canadian Niagara Co.	277,815,131 (326,070,666)
Canadian Niagara (surplus)	1,630,300 (490,100)
Western Power Co.	5,700 (2,400)
Ontario and Minn. Power Co.	8,510,400 (10,782,200)
Maine & N. B. Electric	12,244,594 (11,906,324)
B. C. Electric Co.	95,057 (35,369)
Northport Power	283,797 (268,053)
Maritime Electric	289,818 (666,900)
Sherbrooke R. and P.	464,797 (367,176)
Northern B. C. Power	57,580 (51,360)
International Railway	652,448 (718,470)
Fraser Companies	8,289,000 (6,603,570)
Detroit & Windsor Subway (new)	458,400
Total	1,235,324,786 (1,619,602,712)

CANADIAN HYDRO CURRENT INCOME ON LARGER BASIS

Net Income First Quarter This Year Records Healthy Gain

From Our Own Correspondent

MONTREAL.—Earnings of Canadian Hydro Electric Corp. and subsidiary companies, including Gatineau Power Co., for the first quarter of 1932 showed a substantial increase over those reported for the same period of 1931. The balance of revenue available for dividends was nearly 50 per cent more than that available a year ago.

Gross revenue, including other income, amounted to $2,358,778 for the quarter ended March 31, 1932, compared with $2,144,231 for the corresponding months of 1931. The balance available for dividends on the company's capital stock totalled $728,471, as against $498,196 last year. Dividend requirements remained unchanged at $187,500, leaving a balance, after all payments, of $540,971 compared to $310,696.

Larger Surplus Forward

Comparative consolidated earnings statements are as follows:

	Quarter Ended Mar. 31 1932 $	1931 $
Gross revenue	2,358,778	2,144,231
Exch. profit	128,829	......
Net	2,142,875	1,842,800
Int., amort. of disc., div. on pfd. stk. of sub.	1,264,685	1,150,157
Dep. & amort.	149,719	194,447
Balance	728,471	498,196
Divs. on 1st pfd. stk.	187,500	187,500
Balance	540,971	310,696

Earn Over $20 a Share

For the twelve months ended March 31, consolidated net revenue available for dividends was $2,508,684, or $20.07 per share on the 6 per cent first preferred stock compared with $2,044,608, or $16.36 per share for the twelve months ended March 31, 1931. Details of comparative twelve months' statements follow:

	12 Mos. Ended Mar. 31 1932 $	1931 $
Gross revenue	9,411,954	8,676,298
Exch. profit	243,061	......
Net	8,167,410	7,372,079
Int., amort. of disc., div. on pfd. stk. of sub.	5,065,528	4,511,288
Dep. & amort.	593,198	716,183
Balance	2,508,684	2,044,608
Divs. 1st pfd. stk.	750,000	750,000
Balance	1,758,684	1,294,608

Credit in U. S. Funds

Canadian Hydro Electric Corp. had a credit balance with International Paper and Power Co. at the time when United States funds went to a premium. The balance of this credit is being repaid by International in United States funds and is being used to meet interest payments. To date, therefore, the premium on United States funds has resulted in a small profit which will continue until this credit has been absorbed.

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Auto Registration Down in Ontario

Gasoline consumption in Ontario increased by six million gallons or six per cent, during the six months ended April 30, 1932, over the corresponding period of 1931, Hon Leopold Macaulay announced at the annual dinner of the Ontario Motor Truck Owners' Association held in Toronto on May 30. This increase from a consumption of 98,000,000 gallons to 104,000,000 gallons was made despite an 8 per cent decrease in the number of registrations of motor vehicles this year.

Registrations up to May 28, 1932, totalled 463,162 of which 409,876 were passenger vehicles and 53,286 were trucks, according to Mr. Macaulay. These figures compare with a total of 499,635 in the same period of the previous year of which 444,399 were passenger cars and 55,236 were trucks.

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News of Investment Markets

N. Y. BOND POOL DOES NOT AFFECT LOCAL MARKETS

Domestic Demand is Light With Few Offerings

NEW ISSUES SOON

Montreal and Ontario May Enter Market During June For $30,000,000

Toronto bond dealers are not unduly optimistic regarding the effect on the Canadian bond market of operations of a large investment corporation in New York which is sponsored by leading New York bankers for the purpose of acquiring high grade bonds, stabilizing the market and incidentally make a profit. If operations of the new corporation, which will have $100,000,000 of capital, serve to stabilize bond prices in New York or cause appreciation in prices, Canadian issues listed or traded in that market would benefit and might tend to influence the Canadian market, however.

Passage by the United States Senate of the tax and revenue bill aimed at balancing the federal budget in the next fiscal year and co-operation of large New York banks in the new bond pool scheme have served to improve bond prices in New York, but little change has taken place in the Canadian bond market. Institutional demand remains largely quiescent; although a fair amount of trading is being done there is comparatively little cash buying. Few municipal issues are coming up for tender and bidding is largely confined to options. Kitchener, however, has optioned an issue of $569,971 to a syndicate headed by Dominion Securities Corp. and retail offering is being made on 6 and 6.10 per cent yield basis.

Large Issues Expected

Montreal is expected to float a $10,000,000 issue shortly and Ontario may come into the market this month with an issue of some $20,000,000. Both borrowers were in the market late in January, Montreal with $15,226,000 6's due in 1935 and 1941 which were offered retail to yield 6 per cent and Ontario with $5,000,000 6's due 1935 offered at par and $20,000,000 5½'s, due 1947, offered to yield 5.90 per cent. Under present market conditions it is not expected that either borrower can float a new loan at a better price. The Manitoba 6's of 1947, first offered early in May to the amount of $5,000,000, are selling slowly with some $3,000,000 of the issue now placed.

Private investors have been unduly cautious in making commitments in municipal bonds and in its June investment bulletin, Dominion Securities Corp. draws attention to the current situation. In stressing the fundamental soundness of Canadian municipal issues, the bulletin proceeds as follows:

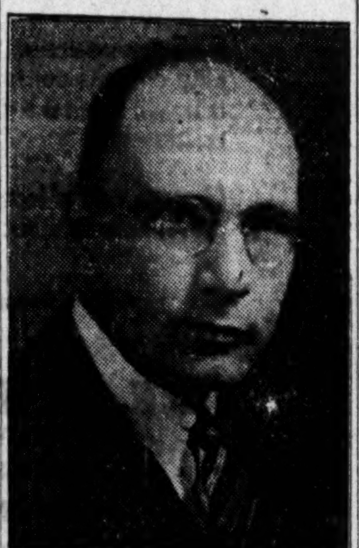
"At the present time there exists a wide difference between the investment yields obtainable on the various provincial and municipal securities and the yields from Dominion Government bonds. This discrimination, arising from an unreasoned sentiment, does not truly reflect the relative credit to which the provincial and municipal bonds are entitled and presents an opportunity to investors. A study of bond yields in normal markets reveals that there is at the present time a much greater spread between the investment yields obtainable on the various classes of high grade bonds than ordinarily exists. This change has not been a gradual process of readjustment of security values but has taken place within a very short period and is not accounted for by any fundamental difference in the relative values of the respective securities.

"Municipal bonds are similar in fundamental security to bonds issued by governments in that their repayment is founded on the power of taxation of persons and properties situated within the jurisdiction of the municipalities. In the case of all Canadian municipal issues this full taxing power is pledged. As with government securities, the credit standing of municipalities depends on such factors as population, location, prospects of growth, character of the inhabitants and industries and financial position including debt.

"Inasmuch as all municipal taxes rank as a charge on the property against which they are assessed ahead of other liens, including first mortgages, the collection of taxes presents a problem of real difficulty only in exceptional cases for example, where, under boom conditions, debts have been contracted in anticipation of growth which failed to materialize and therefore the tax burden renders property owners somewhat careless about protecting their property. It is only in such exceptional cases that any difficulties have arisen in respect to municipal issues and Canadian municipal securities enjoy an enviable credit rating.

"In general, tax arrears now outstanding, particularly of Ontario municipalities, compare favorably with those of previous years and are low on a per capita basis. The debt burden is not onerous and maturities in practically every instance are fully provided for from revenue accumulated in sinking funds or applied annually to meet serial maturities. A revived appreciation of the excellent security behind Canadian municipal issues in general may be expected to correct the present abnormal spread in yield between the various classes of high grade securities."

Is Promoted



P W. HOLLINGWORTH
Who becomes secretary-treasurer of Sherwin-Williams Co. of Canada after 22 years of service. Mr. Hollingworth will control all finances, credits and collections of the company.

NAME MEMBERS ON ALL BOARDS OF SUPERVISORS

Bradshaw, Chairman; Moore, Appleton For Creditors of Border Cities

Appointment of R. J. Moore, former alderman for East Windsor, Ont., as a member of each of the Boards of Supervisors which will control the six defaulting municipalities in the Border Cities group and two representatives for the municipality of Sandwich East, completes the personnel of these boards which are the first to be appointed under the new Ontario Municipal Act.

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Mr. Moore will represent the banks who have extended loans to the defaulting municipalities; John Appleton, secretary-treasurer of the Dominion Mortgage & Investment Association, will represent institutions who hold debentures as well as other investors. Thomas Bradshaw, president of the North American Life Assurance Co., and former Finance Commissioner of Toronto, will act as general chairman and these three appointees of the Ontario Municipal Board will be members of all six boards.

Representatives of the defaulting municipalities have been named as follows: East Windsor—D. B. Grieg and C. P. Coyle; Tecumseh—John Wall and Senator Lacasse; Riverside—Frank Barr and Alex Baillargeon; Sandwich East — Paul Gouin and Claude Teskey; Sandwich West—Alfred J. Durocher and Adolphe Drouillard; Sandwich—Malcolm G. Campbell and William P. Harvie.

GOOD CROP REPORT IN SASKATCHEWAN

Moisture Adequate in Most Parts Says Week-end Summary

From Our Own Correspondent

REGINA.—Crops have made good growth during the past two weeks, although a few report it slow on account of lack of moisture in the drier districts, according to telegraphic reports received over the week-end by the statistics branch of the Saskatchewan Department of Agriculture.

Most of the wheat is now showing green. Although a few report coarse grains patchy, germination has for the most part been satisfactory and growth fairly even. Wheat seeding is practically completed and over 85 per cent of the coarse grains. A few farmers delayed seeding of coarse grains until moisture conditions improved.

Numerous patches, mostly in the southern open prairie region, were damaged by high winds of two weeks ago. Some of these have improved with rains but a few may have to be reseeded. Taking the province as a whole damage from this source is not great.

Recent rains have improved moisture conditions in many parts of the province and although there are places where more rain would be welcome crops on the whole are in a healthy condition. Cutworms are reported in several localities but in general the damage has not been heavy. Grasshoppers have appeared in some districts but damage up to the present has not been material. Some gardens have suffered considerably from cutworms and a few from frost. Recent rains have improved the pastures and livestock are doing well.

Montreal Proposes Bond Issue Totalling $10,000,000

From Our Own Correspondent

MONTREAL.—The City of Montreal proposes floating a public loan of at least $10,000,000 with which to complete the 1931-32 unemployment relief work. This money will be used for paving, sidewalks and local sewers, as well as retiring a $5,300,000, 30-year issue, of the old Montreal Water and Power Co. maturing June 30. Efforts are being made to place the loan on a 5½ or 5¾ per cent basis, five to ten years maturity, which would be on a basis more favorable than the last issue of bonds.

CAWTHRA BONDS GET BETTER DEAL AFTER PROTESTS

Flotation of Mackenzie & Co. Disappoints Hopes

Protests from bondholders at the special meeting called for reorganization of Cawthra Apartments, Toronto, led to modification in the plan submitted by W. A. Mackenzie. Under the new plan they get voting powers. Mr. Mackenzie, whose firm, W. A. Mackenzie and Company, Toronto, originally issued the $425,000 of first mortgage bonds on this enterprise in 1926, had endorsed a plan of reorganization which would have paid off the 7 per cent first mortgage bonds half in 6 per cent bonds and half in a new preferred stock, wiped out the old preferred stock and written down the common stock. Bondholders protested that this left the old common stockholders still in control although they had not made a success of the enterprise and although the bondholders were taking a reduced interest rate. The modified plan adopted by the meeting was as follows, The Financial Post is informed:

7 per cent first mortgage bonds; holders will be given new 6 per cent bonds, to amount of 50 per cent of their holdings and new 6 per cent non-cumulative preferred shares for the other half. These shares to vote.

Old preferred stock: to be cancelled.

Common stock: to be cut in two.

The common stock, which it was stated at the meeting is held by W. A. Mackenzie, will lose its voting power in the event of the preferred dividends not being paid for two years.

For interest in arrears bondholders are to receive 6 per cent five year notes to the amount of one year's interest or $29,700.

First interest payment on the bonds falls due on June 1, 1933 and on the notes on December 1, 1933.

In a letter to bondholders urging their support of the original plan, W. A. Mackenzie stated that since the buildings were completed and the company commenced operations it has never been possible to realize the rentals estimated at the time of organization and during the last three years rents obtainable have shown an almost continuous decline. In addition the company experienced a large amount of vacancies in 1931. Figures submitted by Mr. Mackenzie showed that in 1931 operating profits were insufficient to meet bond interest.

Mr. Mackenzie's letter also stated that in each year the company has been in operation the results have been unsatisfactory. Unpaid taxes for years prior to 1932 amounted to $16,000.

In May, 1930, The Financial Post was informed by W. A. Mackenzie and Company that the apartments were 95 per cent rented and that the net income was sufficient to meet all charges with a good margin.

In March, 1931, The Post was informed by the same company that the apartment was about 93 per cent rented and that bond interest was being earned by a good margin after all charges.

Windsor Mayor May Seek Relief From Bondholders

Windsor should approach debenture holders with a view to refunding part of the city's debt or to be relieved on part payment of principal for a period of time and a reduction in interest rates, in the opinion of Mayor Croll as expressed in an address given recently. Such a concession by the bondholders in return for full acceptance of all recommendations included in the Bradshaw report is regarded by the mayor as being a good bargain.

Little improvement was expected in whole or part-time employment around Windsor this year and next winter is expected to be difficult. Windsor now has some 1,500 applicants receiving relief as against 2,300 at the peak in January.

British Empire Products

The London Times' Trade and Engineering Supplement has again published its annual British Empire Products Number. This year the issue is of particular interest since it serves as a foreword to the Imperial Economic Conference at Ottawa.

The treatment has been to take each of the chief items of production in the Empire and discuss the relations of the different producing countries to the different Empire importing countries. Then each country in the Empire is dealt with separately and such important matters as aviation, communications, shipping, etc., in the Empire are given adequate treatment.

The articles are authoritative as one expects from the sponsoring publication and the many advertisements give an excellent picture of the varied productivity of the different countries throughout the commonwealth.

Obituary

William George McMahon, president of the Woods Mfg. Co., Montreal, died in Winnipeg on May 12.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Brazeau Collieries	*7%	15-yr.	July 1	...
Imperial Realty ..	*6%	1945	July 1	103

*Called in part.

Ford Companies Consider World Marketing Plans

English Journal Predicts Freer Marketing With Canadian Ford Concentrating on New "8" and British Ford on "Baby" and "4" Models for World Outside American Ford's Natural Markets

"Investors Chronicle and Money Market Review" of London, England, sees in the current visit to England of Wallace Campbell, president of the Ford Motor Company of Canada, the imminent redistribution of the territories allotted to the various Ford Motor companies. This confirms information given The Financial Post by Wallace Campbell and published in the issue of April 30. The British story gives many interesting suggestions as to how the programme will be worked out.

The English Ford Company Dagenham plant was erected at colossal expense, but has a severely restricted market for the sale of its products. Automotive circles in England therefore assume that the only way out for the English company and for the Dagenham scheme is an arrangement with the Canadian company by which the latter would transfer to the English company such territories in the British Empire as could be more economically supplied by Dagenham.

World Interests Govern

It is understood that when the scheme was first mooted the Canadian company was unwilling to agree to any arrangement which would deprive it of valuable markets. The further restriction of motor markets everywhere and the greater willingness of producers to seek for production outlets on more rational lines, as well as the complete change in products of the Ford companies both in the new world and in the old, are bringing about situations which, "Investors Chronicle" believes, will permit a better understanding as to markets among the various groups. It is argued also that as the control of the various Ford companies in all the different countries of the world is becoming more and more concentrated in the hands of one directing power, that is, of Henry Ford himself, plans tending to further Ford interests as a whole all over the world are more likely to be made effective as against temporary and immediate interests of separate companies when these may seem to conflict.

Sell Baby Ford Here

The Ford Company in the United States supplies from Detroit the United States and South American markets, Soviet Russia, China and Japan. Hitherto the Canadian company has supplied the British Empire. The English company, through its subsidiaries on the continent, has supplied Europe and those parts of Africa and Asia either colonially or geographically related to it. This arrangement suited the companies so long as they were manufacturing or distributing the same identical product. That is no longer the case. In America a new chassis has been introduced fitted with an eight cylinder engine. In Europe there is to be an improved edition of the present four cylinder "A" model and also a Baby Ford. The present plan is that the English company's new Baby Ford should be sold the world over and that similarly the American eight cylinder car is to be sold throughout the world instead of being restricted to certain fixed areas.

Canadian Ford Sells Europe

According to "Investors Chronicle," the suggestions likely to be formulated at the conferences in England, are that Ford Motor of Canada will permit Ford Motor of England to export to all British Empire territories, including Canada, the new 8-horsepower or "baby" Ford. In return for this the Canadian company would be permitted to export to Europe and to those territories controlled by the various European countries, the new 8-cylinder Ford.

From this plan it is hoped to get a larger market for the new "baby" product of the English company than would otherwise have been obtained. 50 per cent of the cars exported by British manufacturers are in the "baby" class and the Ford company will compete for a share of these exports. Total annual sale of these "baby" cars have been about 50,000 recently, 37,000 in the United Kingdom and 13,000 exported. Ford, with its remarkable distribution and servicing organization, is expected to develop a good deal of new business.

Concentrating on "8" Here

Dagenham will be chiefly concerned, however, with the production of the bigger Ford model. Whether such plans are immediately accepted at the present meeting of the Canadian and English Ford executives or not, English commentators expect that Dagenham may become the sole producer of the Ford 4-cylinder for distribution throughout the world. The American company is still manufacturing the 4-cylinder engine, with the 8-cylinder offered as an alternative in the same remodelled chassis, and both these engines are being marketed by the Canadian Company. The difference in the initial cost price is a matter of only $50 while gasoline and oil are so cheap in the United States as to make no really significant difference in running costs between the two engines. Englishmen expect the 8-cylinder engine will oust the 4-cylinder in the United States and Canada almost totally, in which case Detroit might cease to manufacture the latter. Detroit would then manufacture the 8-cylinder Ford for the United States, South America and the Far East, the Canadian company distributing it to the rest of the world, while the English factory at Dagenham would manufacture the 4-cylinder and the 8-horsepower for world distribution through the existing Ford world sales organizations.

Although the Canadian company would be able to supply European subsidiaries of Ford with an 8-cylinder Ford at practically the same price as the English company offers its 4-cylinder model, no great competition in Europe between models is expected, because the high cost of gasoline and of oil and the heavy burden of European taxes would make the 8-cylinder car a more expensive proposition than its 4-cylinder sister.

Henry Ford and Son, Cork, is expected to be helped greatly by the new duties on motor bodies imported into the Irish Free State as these will give the Ford company a great advantage over other British manufacturers as Ford is the only company possessing an Irish assembly plant.

World Control is Held

The "Financial News" of London, England, states that the United States Ford Company with Henry and Edsel Ford together hold 63.5 per cent of the total 8,539,451 ordinary £1 shares of the British Ford Co. The next biggest stockholder is the "Guaranty Trust Company" of New York under the title of "Guaranty Nominees" with 2,620,453 shares of the first issue and 285,574 of the second issue, or more than a third of the total issued capital. This gives United States interests 97.26 per cent of the total shares issued and it is stated that out of the 2,000 stockholders, who share among them the remaining 200,000 odd shares, a large number are American. The English interest in the British Ford Company is therefore rather small. Aside from Sir Percival Perry, chairman of the English company, who holds 10,000 shares, there is no single English holding consisting of more than 5,000 shares.

The English company has a 60 per cent holding in each of the Continental subsidiaries, except in the case of the Italian company, where no local issue has been made and the holding remains at 100 per cent. Control of the Ford organization throughout the world therefore remains in the hands of Henry Ford. As for the 40 per cent of outstanding shares in Continental subsidiaries not held by the English company, these are held in part also by investors in the United States and Canada, it is understood.

The decision of the European companies to pass their dividends does not involve shareholders in the English company in a direct loss. A holding company was established in Luxemburg about 18 months ago and it was into this company's account that the English company's equity in the Continental subsidiaries' dividends would be paid. They would not have appeared in the English company's balance sheet had they been voted this year. However, it is pointed out, a fund accumulating year by year in Luxemburg would represent a valuable reserve, not being subject to income tax until brought into the English accounts.

In France sales are understood to have remained constant at about 15,000 units per annum, compared with 60,000 for Citroen and 40,000 for Renault. Sales in the new Ford factory in Germany have fallen to almost half for passenger and commercial vehicles, being 6,436 for 1931 and 11,403 in 1930. Ford business in Italy has been paralyzed by the tremendous duties recently imposed which make the Ford in Italy nearly double the price of the comparable Fiat model. Reduction of Ford wages in European centres would enable Ford to compete, it is predicted. In some cases, it is understood, cuts have been made effective already.

Bond Tenders

June 11, Kincardine—$16,355, 6 per cent 15-year debentures. W. Butler, clerk.

June 18, School Commission of Saint Leon—$4,500, 6 per cent bonds dated May 1, 1932; payable semi-annually. Clovis Lemay, sec.-treas.

12 o'clock noon, June 20, County of Dufferin—$65,000, 6 per cent debentures, due 1932-1952. James Henderson, treas., Box 210, Orangeville. (See announcement on page 10).

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MONTREAL TORONTO WINNIPEG VANCOUVER

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1931 $	Net Income 1930 $	Common earnings 1931 $	Common earnings 1930 $	Curr. divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Eastern Dairies	Mar. 31	391,987	444,926	1.10	2.04	1.00	257,682	248,794	9½	8.6	10.5
Dominion Textile	Mar. 31	1,333,555	1,503,357	4.43	5.06	5.00	7,363,265	7,515,550	40	9	12.5
Can. Converters	Apr. 30	18,158	44,791	1.04	2.58	2.00	563,432	597,278	...	...	...

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Kitchener	May 31	Dominion Securities, A. E. Ames & Co., Griffis Fairclough & Norsworthy, Dominion Bank	....	....	$232,000	....	....

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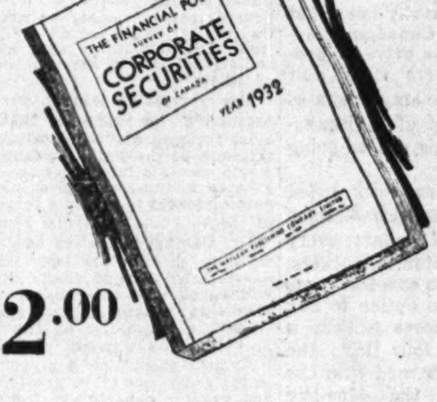

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Published by
THE MACLEAN PUBLISHING CO., LIMITED
143 University Ave., Toronto 2

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor. GT. BRITAIN, London, The MacLean Co. of Great Brittain, Ltd., 2, 3 and 4 Cockspur St., London, S.W. 1. E. J. Dodd, Director.

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TORONTO, JUNE, 11, 1932

WHEN TARIFFS HIT THE MARITIMES

SPEAKING at the annual meeting of the Maritime Provinces Branch of the Canadian Manufacturers' Association, the chairman, A. Neil McLean, president of Connors Bros., of Saint John, N.B., referred to the difficulties that dumping duties create for the Maritime fish canning industry. He pointed out that Maritime provinces have an enormous quantity of the best kind of fish. These canned products have to be sold at very low prices. The five-cent can is the backbone of the business. The canners must buy their tin plate either from the one Canadian plant producing it at Ojibway in Ontario or import it. The freight rates from Ojibway to the Maritimes make it "impossible" to pay the long rail haul on Ontario tin plate. But when tin plate is imported it is subjected to very heavy duties and also to a substantial dumping duty. The difficulties in the situation are intensified by the fact that the keenest competition for the Canadian canned fish comes from Norway and in Norway the government subsidizes tin plate mills, thus keeping the price of tin plate very low for the canners. A somewhat similar situation exists in regard to vegetable oil.

The incident quoted by Mr. McLean has been seized upon by Maritime province newspapers as a very good illustration of how the Canadian tariff operates to the injury of Maritime industry. Of course, the problem of tariffs is never as simple as the average interested person would make out. The Ontario manufacturer of tin plate feels that he is entitled to the Canadian market and he is able to point to the large amount of employment a tariff on tin plate will create. The Maritime user of tin plate, especially when he is exporting his finished product, is interested only in obtaining tin plate at the lowest possible price and he can point to the large volume of employment that would be created by putting him in a position to compete on favorable terms with other countries. Where the net advantage or disadvantage in any particular tariff item lies is exceedingly difficult to determine. It is particularly so when one considers that as partial compensation for whatever additional disadvantages there are for the Maritime provinces in the Canadian tariff, the producers of that area have been granted 20 per cent freight reductions at the direct expense of the country as a whole, have been granted bonuses on shipments of coal, have been given enlarged provincial subsidies, large expenditures on national ports, etc. Apparently, the millions of dollars poured out of the federal treasury into the Maritime provinces to bolster up their prosperity and to implement the direct or implied promises of Confederation are of little importance to the individual Maritime producer meeting a specific problem such as the one the fish canners have in regard to their tin plate supply.

There is no clear cut solution for problems of this character. Obviously, though, there is a step that can be taken in the direction of their solution and that is the appointment of a capable and independent tariff advisory board to make, so far as possible, a scientific investigation of specific items in the Canadian tariff when charges are made by responsible citizens that these items work to the disadvantage of any area or industry.

The present government abolished the only tariff board we had and promised to set up a new one. But there is no indication that this new tariff board is going to be appointed and in the meantime the tariff is being administered by order-in-council through a series of haphazard decisions that have only one factor in common: namely, that they are all in the direction of the highest possible tariff regardless of the incidence.

TRUTH OR FICTION?

THE FINANCIAL POST is a paper of fact and opinion. It is little interested in fiction. But when a novel appears under the name of "Plunder" and it is labelled "a sensational Canadian novel of financial and political intrigue" we are interested. The first installment of the new serial appears in Maclean's Magazine for June 15. It is the story of a group that attempted to gain control of Canadian mineral resources and the Canadian mining market. The characters are interesting.

Most authors nowadays start their books by some such phrase as this: "The characters in this novel are purely fictional." Recently, though, a prominent author prefaced his newest novel by saying: "None of the characters in this book are entirely fictional." Can it be that such a phrase may well be applied to "Plunder?"

Has there ever existed, for instance, a short, paunchy individual, with a guttural accent that betrayed foreign forebears, who was a British Lord (he is Lord Moundell in the story), who controlled mining resources in the province of "Huron," who was interested in mining all over the Empire and who plotted to make millions out of Canadian mining?

Is there, as a further instance, in the city of "Queen's Town" a tall, wide-chested, athletic, blue-eyed John Rockingham whose handsome features are youthful and whose personality is dominating, who has the power to make or break the mining market, who controls puppets sitting in cabinet seats, whose prospectors and engineers are everywhere and who is little known to the public in his mining activities?

Did this John Rockingham have a clever agent by the name of Le Gresley who was hard and shrewd enough to work out a scheme to catch nimble, bucketeering mining brokers in his vise, who could even bring the authorities of the province to issue regulations to serve his ends although ostensibly designed to protect the public?

We wonder.

Is "Plunder" a bit of adventuresome fiction, or is it the inside story of the great mining boom and the subsequent crash?

BRADSHAW APPOINTMENT IS WELL DESERVED

RECENT appointment of Thomas A. Bradshaw as general chairman of the six boards of supervisors which will take over control of the six defaulting Ontario municipalities in the Border Cities group brings general commendation from investors and the municipalities alike. With a broad experience in municipal finance and a keenly analytical mind, Mr. Bradshaw will have full scope for his talents in guiding the financial rehabilitation of the municipalities of East Windsor, Sandwich, Riverside, Tecumseh, Sandwich East and Sandwich West.

Serious as the situation of each of these municipalities is, the need for the most able leadership available is even more acute. For the first time the Ontario government has established machinery whereby the affairs of defaulting municipalities will come under provincial control and supervision. The boards of supervisors, of which Mr. Bradshaw has been named chairman, are the first to be appointed by the Ontario Municipal Board under the new Municipal Act. Many of their acts and decisions may easily become precedents for future action with respect to other municipalities.

Associated with Mr. Bradshaw on each board of supervisors will be John Appleton, secretary-treasurer of the Dominion Mortgage & Investment Association, who will represent large institutional investors. The second representative for the creditors has not as yet been chosen but at least two highly qualified men will sit on all the boards and since the situation of each of the defaulting municipalities is similar in many respects these two appointments should aid materially in the solution of the financial difficulties involved.

WHEN HIGH WAGES HOLD UP WORK

TO WHAT extent is labor itself, in its refusal to adjust wages to a scale in line with present-day conditions, responsible for the unemployment which exists? That it is responsible in no small degree is felt by buyers when confronted by incidents of which the following examples are typical:

An employer having some developments in mind, though the work was not urgent, decided to go on with them now that he might afford employment and take advantage of the lower cost of supplies. The contract was given to two masons who had been out of work for months. Because it was not based on the high union scale, they complained continuously that they were losing money on the contract, though as a matter of fact every cent they made was found money to them. On the completion of the work, another contract was offered to them at a fixed price. They refused to accept it because it did not work out to the highest union scale of wages, a scale fixed when the cost of living was 25 to 30 per cent higher than it is today.

A farmer sent his tractor to the city for repairs. The rate charged for labor was $1.25 per hour, while farm wages work out at present to about 10 cents per hour. Farmers across the country are hearing the story of the high labor charges and as a result tractors and motors are being laid up and horses are coming back.

Everyone is anxious to see the highest wages possible paid to labor, but wages must be based on common-sense and current conditions. There would seem to be a great opportunity here for constructive work on the part of labor leaders, and for an educational campaign on the part of employers.

STAFF OF LIFE

BREAD costs an average of six cents a pound in Canada. The retail selling price runs anywhere from four cents a pound in some favored communities to over eight cents a pound in others. Saskatoon is the heart of the world's most important wheat producing area; in Saskatoon bread costs 6.7 cents a pound or 10 cents for a 24-ounce loaf.

The almost unbelievable cheapness of bread in countries of Europe, despite duties, quotas and restrictions designed to limit imports and encourage domestic production of bread grains, is emphasized in a survey recently made by Milling, the British milling publication. Adjusting all computations to a per pound basis and taking all exchanges at present rates, prices in several countries are about as follows:

England—London or Liverpool: good to best quality bread, 2.25 to 2.62 cents per pound.

France: fancy bread, 6.37 cents; ordinary bread, 4.5 cents.

Holland: best "milk" bread, 4.29 cents; water bread, 4.18 cents; cheap water bread, not delivered, 3.09 cents.

Italy—Rome: fancy bread, 5.88 cents; good bread, 4.75 cents; cheap bread, sold in very large loaves, 3.54 cents.

Belgium — Brussels or Antwerp: good bread, 1.92 cents; smaller towns, as low as 1.16 cents.

The relatively high price of bread in France is, of course, due to the high rate of duty and quota restrictions designed to protect the market for domestic wheat. This is true to a lesser extent in other countries, but is obviously far from the case in Belgium with its unbelievably low price of bread. The fact that much of the bread in the countries named is baked from over-sea flour or flour from over-sea wheat makes the contrast with bread prices in Canada all the more pronounced. The Northwestern Miller explains that it is in part accounted for by the "leaner" European loaf, but a much larger part of the difference is, of course, due to the tremendously higher production and servicing costs on this side of the Atlantic.

When the Dominion government investigated bread prices in Canada it was forced to report that they were not unduly high in Canada. It costs more in Canada to run a bakery and deliver bread than it costs for the flour that is used. The wages and commissions of delivery men average as much in Canada as the present cost of the cheapest bread in Belgium.

The brief spell of five cent bread in Canada has passed. Chain stores, addicted to "loss leader" merchandizing have turned to something else although some still offer a 6 cent loaf and claim they make money on it.

SHARKS AT WORK

DESPITE the blue-sky laws that are in force in Canadian provinces and despite the drive of provincial police officers against sharp-shooters in finance, there is still a large amount of high-pressure selling of mining shares going on.

In the case of one stock listed on a Canadian exchange, salesmen spend thousands of dollars every month calling up potential suckers, offering them shares at a few cents and using as bait an option to buy back the same shares within a month at three or four times the cost price. Those charged with the administration of the blue-sky laws should not hesitate to cancel the licenses of salesmen using such methods and the shares in question should be delisted from the exchange that has given the company the facilities of its trading floor.

Another type of appeal that is being used is purely emotional. Investors are being asked to purchase certain mining stocks because their investment, will, it is claimed, help to develop the resources of the country. No investor should make a purchase of securities for patriotic or emotional reasons. To get into such a habit is to make one's self prey to all the crooks in the game. Each stock should be considered on its merits and only when there are successful mining men back of the enterprise.

For that matter, investors should always study the record of the directors and promoters of every enterprise offered to them for sale. In the case of some recent mining promotions, the men back of them have very poor records. In two recent cases which came to the notice of The Financial Post, the men promoting the sales of these securities were found to have crimnial records. When a man has served his term in the penitentiary he is supposed to have paid his debt to society, but this should not prevent the investor from looking carefully into a purely speculative proposition offered to him by a promoter with a criminal record.

"Feeding Farm Animals" is the fourth of a series of exceedingly valuable agricultural booklets prepared under the direction of Hon. Duncan Marshall and distributed by Imperial Oil, Limited. About 70,000 of each volume of the first three books have already been distributed. Imperial Oil is one company that realizes that its prosperity must be erected on the foundation of prosperous agriculture in Canada.

POST-scripts

WE WERE talking the other day with a movie man and began to express our opinion of one particular British picture recently shown in Canada. Our criticisms were interrupted by the movie man. "But listen," he said, "It was a good picture when it was made but the censors cut so much out of it that they made the story unintelligible." Then he went on to describe the scenes that had been lifted. It was easy to see that if these perfectly harmless scenes had been left in the picture it would have immensely brightened up.

But this raises another point. The theatre goer is not interested in what the picture looked like when it was turned out in the studio. He sees and knows of only one thing, the picture as it is screened for him. As an ethical and business problem, have the movie people any right to show a picture after it has been censored to the point of not being an interesting story? Should the loss occasioned by censorious shearing be borne by them or by the public?

New Books

"Men, Money and Machines"

We are all becoming social economists these days. It is being recognized by every class in society that the most important problems today are economic. In man's relationship with man, religious and political differences of viewpoint have been eclipsed in contemporary interest by social factors. The standard works on political economy have been vigorously re-read although they do not contain enough panaceas to be satisfying to a panacea-seeking public. The older examinations into social economics and the presentation of the views of the founders of different systems of social economics are the subject of much serious intent study. The next 15 or 20 years will bring forth many able additions to our literature on the social and economic sciences.

One book has just been published, "Jobs, Machines and Capitalism," by Arthur Dahlberg, Ph.D., an American engineer, is interesting in two respects, first, for the excellent outline it gives to the different systems of economy that have been proposed and secondly for Dr. Dahlberg's, one important suggestion for improving the economic basis of society.

Dr. Dahlberg puts Capitalism halfway between the extremes of Anarchism and Communism.

At one end of the scale, Anarchism stands for 100 per cent individualism, 100 per cent bargaining and 100 per cent liberty. At the other end of the scale Communism stands for 100 per cent governmentalism, 100 per cent rationing, and 100 per cent duty. In between there comes Syndicalism, Guild Socialism, Capitalism, Unionism, Fascism and Socialism. Nowhere in the world has anyone of these systems been given a complete and adequate trial. Dr. Dahlberg finds a great deal of merit in Communism as theoretically outlined for Russia, although not necessarily as Russia practices it. But he remains a Capitalist as he believes that a modified Capitalism can best do the job that any economic system is required to do. The modifications he would make in capitalism would be to create a labor scarcity which would enhance the bargaining power of labor.

So far it is not difficult to follow and to agree with Dr. Dahlberg, but after revealing in stark nudity the disintegrating effect of too much government in society he urges that Capitalism be improved by legislation. The legislation that he wants is national law to shorten the hours of labor.

The volume is largely devoted to indicating the benefits that would arise from an enforced statutory curtailment of the hours of labor which would create a labor scarcity, provide greater leisure, and give labor bargaining power to obtain a larger share of the sum total of social benefits.

Dr. Dahlberg believes that shorter working hours are an inevitable development in any event. Everyone will agree with this and in fact remarkable progress has been made since the beginning of the century providing the workers of the world with greater leisure, a process which at the same time gives greater leisure and greater opportunity for cultural development.

The book would probably have been a more useful contribution to social literature if it had stopped at indicating the irresistible march to shorter hours that is going on instead of relying upon the traditional American habit of putting it up to the government to bring the millenium by legislation.

"Jobs, Machines, and Capitalism" is published by the Macmillan Co. of Canada, at $3.60.

"The Remedy"

Peter L. Robertson, business man and philosopher of Milton, Ont., has been studying the world collapse and pondering on the remedies or present troubles. He has put his ideas in book form under the title "World Reorganization or Downfall and the Remedy." Mr. Robertson is mailing copies of "The Remedy" to the rulers and chief executives of nearly all countries and the presidents, prime ministers, finance ministers and foreign ministers as well, and also to the cabinet ministers and deputies of France, Germany, Great Britain, Italy, the United States, Belgium and Canada; also to members of the Houses of Commons in Great Britain and Canada, and to the senators of the United States and Canada, members of the United States Congress, and a select list of bankers, economists and industrial leaders throughout the world.

"The Remedy" embraces a number of suggestions of which the chief is that the alleged shortage of gold should be corrected by an international treaty that would value gold at $100 an ounce instead of $20 odd. This would make it possible to make all currencies repayable in gold on demand—since only one-fifth as much gold would be required to back the same amount of currency—and would automatically restore exchange stability and a proper redistribution of gold.

Further Mr. Robertson argues the case, in his series of somewhat disconnected essays, for immediate liquidation of reparations and war debts and for an international gold coinage.

Undoubtedly Mr. Robertson is on the right track; restoration of the international gold standard, which may involve a writing down of the gold content of many coins, is a necessary ultimate objective for the world. But it is not simple to arrange even by treaty.

Incidentally, while Mr. Robertson shows how advantageous the writing up of gold values would be to the mines of Canada, he does not discuss adequately how bankruptcy could be avoided for scores of borrowers whose bonds are payable in gold coin of the "present" standard of weight and fineness.

"The Remedy" is published by Peter L. Robertson at Milton, Ont. The volume contains over 200 pages, is well printed and bound, contains some illustrations and many useful tables dealing with war debts, gold reserves, etc.

Monograph on Empire

Erlangers Ltd., bankers of London, England, have just issued the sixth and last monograph in a series extending over the past two years and devoted to an exhaustive analysis of "The Manufacturing Industries of the British Empire Overseas." The final monograph in the series covers Africa—west, east and central.

The monographs are edited by Harold N. Carvalho and have been prepared to give in a concise form a mass of statistical knowledge, which "hitherto distributed over a wide range of books, has never, to the best of our belief, been grouped in a single publication." In chart and tabular form they present a very comprehensive picture of the trade, manufactures and general economic set-up of the chief units of the British Empire. The first book appeared on Canada at the end of 1930, followed by one on Australia (both of which have now run into two editions); then followed Union of South Africa, New Zealand and a fifth covering Newfoundland and Crown Colonies and Protectorates. Irish Free State has been omitted because of her close commercial connection with Great Britain, and India has been omitted partly because of the vastness of her problem and partly because trading conditions have become for the time being wholly artificial.

In view particularly of the approaching Empire Conference, this set of monographs is perhaps one of the most readable and readily accessible sources of knowledge on the Empire countries that is available anywhere. Every part is profusely illustrated with colored charts and statistical tabulations and the latest publication on Africa contains an excellent map of that continent.

Commenting on the forthcoming Conference and particularly Canada's part therein, the final volume in its preface, says:

"It is of more importance to Canada to be able to maintain or increase her 25 million acres under wheat, her 6 million acres under barley and her 12 million acres under oats than to foster an exotic trade in a heterogeneous mass of manufactured articles by means of prohibitive protective tariffs. A gain of an additional million acres under crops and the restoration of her prairie provinces would be an 'Imperial advantage' well worth the sacrifice of the 'personal' loss involved in admitting certain agreed lines of British manufactured goods at rates of duty which would enable them to compete with locally manufactured goods.

"The same arguments apply in the case of all the other self-governing Dominions. All cover large areas and have sparse populations; all have a great future, but a future depending on an extention of their primary products. If Great Britain and Greater Britain enter the Conference with the will to achieve an Imperial rather than a parochial success, then many, if not all, of the present hindrances and obstacles which hamper Imperial trade will disappear and the beginnings of a world improvement will be visible, since harmony and stability will have been established on one-half of the civilized globe."

The monographs are available from Erlangers Ltd., 4, Moorgate, London, E.C. 2 at a cost of 7/6.

"Stop Me If You've Heard This One"

"Mr. Cohen," 'phoned the bank manager, "our accounts show that you owe us $50. You have overdrawn your account to that extent."

"Is dat so?" remarked Cohen. "Vell, I vant you should do me a favor. Go into your books and see how ve stood in January."

Two minutes later the manager 'phoned—"Mr. Cohen, your account shows that in January the bank owed you $2,000."

Cohen's reply came triumphantly over the wire: "Vell, did I call you up in January?"

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

ANOTHER CONFERENCE?

THE threat of another world economic conference hangs over the world, and, as is usually the case when someone suggests a big conference, is arousing false hopes and big headlines all over the distressed world. But there are many reasons why seasoned if somewhat cynical observers are far from enthusiastic about a world conference.

In the first place, it is yet to be demonstrated that any large conference can accomplish anything at all. All the post-war conferences that have grown beyond a mere handful of men, discussing specific problems between two or at most three nations, have broken up in failure.

In the second place, discussion of a world conference naturally causes statesmen to defer the arrangement of specific understanding between smaller groups and thus prolongs the period of inaction and distress.

In the third place, prospects for a world conference tend to divert attention from more important and more immediate meetings such as the Ottawa conference and thus either render these conferences inocuous in advance or cause their indefinite postponement.

* * *

WHAT could a world economic conference set out to do? Possibly these things among others:

1. Scale down tariffs.
2. Write down reparations.
3. Adjust war debts.
4. Arrest the price decline and stimulate a rise.

Tariffs will never be written down in a world conference. They will only be modified by specific bi-lateral agreements between countries with common interests.

Reparations can best be adjusted by common sense agreement between Germany, France and Britain.

War debt adjustment will inevitably follow a sane understanding between these three leading powers on the reparations questions.

The arresting of the price decline is a monetary problem that does not lend itself to solution on an all embracing international scale. Modifications in the world's monetary system will come about through leadership given by Great Britain, France and the United States, either acting independently or in unison. What they do will have a profound influence on the policies of other nations.

In fact everything on the proposed agenda for the proposed world economic conference is a matter where what is wanted is not co-operation so much as leadership. And leadership is a matter of individual action.

* * *

KREUGER AND SWEDEN

SO MANY people think Sweden means Kreuger, and Kreuger means Sweden. But the Swedish people are very anxious that the rest of the world should not become imbued with the idea that the collapse of Kreuger means the collapse of Sweden. Professor E. Heckscher, of the Stockholm Commercial University College, recently gave a very important address before the Society of Political Economy in Stockholm on the subject of Swedish economic conditions after the Kreuger crisis. Apparently, the lecture was considered of great importance in Sweden. The audience included the Crown Prince of Sweden, the Minister of Finance, the Minister of Trade and Commerce and all the leading bankers and industrialists. Professor Heckscher set out to prove that the Kreuger smash affects only a very small share of Swedish economic life. Kreuger did not dominate Swedish industry. In fact the match industry employed only about 6,000 people, or about one and a quarter per cent of the total number employed in the whole Swedish manufacturing industry. In the export trade, the products of the Kreuger factories amounted to less than four per cent of the total exports of Sweden. Wood pulp, for instance, has an export value six times as great as that of matches.

Even from the standpoint of the loss to Swedish investors, Professor Heckscher would minimize the effects of the collapse. He pointed out that Kreuger raised most of his capital in foreign countries and only a minority interest in the various enterprises was held in Sweden. Nevertheless, it was the senior securities of Kreuger that were sold abroad and the least safe securities were held by the Swedes. Their possible loss of dividends from the Kreuger tangle amounts to about two-thirds of one per cent of the total assessed income of the country in 1930 but to about 10 per cent of business profits.

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Business Conditions in Canada

The Week in Business

Balanced U. S. Budget is Helpful
West Again Centre of Canadian Picture
Crop Prospects Reviewed

FINAL balancing of the United States budget is being interpreted as the highly favorable business factor of the week, throughout the world. As a result British and European security exchanges have been bouyant and a factor which has undoubtedly been a highly depressing influence for many long weeks seems now removed. Congress of course has not yet adjourned but hope is that little upsetting legislation will materialize in the meantime and after that, as Business Week, New York, remarks: "No one can say what additional jolts to business and financial sentiment the merry month of June may hold in store at home or overseas, but the jittering capacity of the public would seem to be approaching exhaustion and a cyclical return of common sense is about due to set in as soon as Congress adjourns and the political pandemonium of the campaign is past."

• • •

IN CANADA, attention as is to be expected is again focused on the West, although in the East a matter of more immediate interest has been the first flow of tourists from the United States, induced in part by cheap railway excursion rates and also by the Decoration Day holiday. In the West a hectic Saturday session on the grain exchange saw wheat prices at the lowest levels for 1932 due to hedging sales against purchases of cash wheat in the country. Until renewed for 15 days by special order-in-council this week, the government bonus of 5 cents to growers was due to expire on June 15, and with the crop outlook for 1932 currently highly favorable, farmers began to sell freely. Another important factor was the gradually growing appreciation in Chicago and Winnipeg that a 500,000,000 wheat crop is in prospect for Canada and until export orders to the tune of 5,000,000 bushels appeared from Europe, prices sagged sadly.

• • •

AS TO crop prospects, Sanford Evans' Statistical Service at Winnipeg concludes a June 1 report by saying: "Good to excellent growing conditions prevail in Alberta, western and northern Saskatchewan and northern Manitoba. In this area there is little likelihood of important damage in the near future. Over the remainder there have been no serious setbacks as yet but the outlook is less certain; there is the possibility that grasshoppers, cutworms, drought or drifting may cut yields. Rain is necessary in wide areas in Saskatchewan and Manitoba."

As emphasized previously in this column, the great need across the dried out wheat areas of southern Saskatchewan is for constant soaking rains throughout the growing season. This is due to the utter depletion of moisture reserves which means that over a very wide area, surface moisture is absorbed almost as soon as it falls by the bone-dry subsoil which it will take in many places as long as 3 years to be restored to normal conditions. It is steady intermittent rainfall which is most necessary for 1932. Average rainfall to date in the three provinces as compared to last year and the 10-year average, has been as follows:

Average Precipitation in Inches per Station April 1 to June 1

	This. yr.	Last yr.	10-Yr. Aver
Man.	2.26	.86	3.2
Sask.	2.22	.58	2.6
Alta.	4.78	1.33	3.1

ONLY PLYMOUTH INCREASES SALES OVER YEAR AGO

April Sales Lower in All Provinces Except Quebec

With the exception of Plymouth, all makes of passenger automobiles in Eastern Canada had lower sales in April, 1932, as compared with the same month of 1931, according to figures analyzed by The Financial Post from data compiled by Might Directories, Toronto, and published in Canadian Automotive Trade. Sales of Ford showed the biggest drop, falling from 2,800 to 522, while Chevrolet maintained their comparative position to total sales with a total of 1,633, as compared with 2,915 in April a year ago. Production of new Fords, it will be remembered, did not get under way until the first of May.

Total passenger automobile sales in Eastern Canada during the month were 5,095, as compared with 10,694 during April, 1931. With the exception of Quebec, all provinces recorded less than half the number of sales of April, 1931. Quebec made a surprisingly good showing for the month, the total of 1,235 being only nine less than in April, 1931, but all the other Eastern provinces recorded sales of less than half the 1931 total. Sales by provinces for the month, as compared with the same month of the previous year, were: Ontario, 3,124 and 7,807; Quebec, 1,235 and 1,244; New Brunswick, 389 and 797; Nova Scotia, 307 and 754; Prince Edward Island, 40 and 92.

Chevrolet Leads

Chevrolet leads in total sales for the month with a total of 1,633, followed by Ford and Plymouth in that order. In the next higher price field McLaughlin-Buick easily leads with sales for the month of 344. April sales of the more popular makes of automobiles compared with sales in April, 1931, are as follows:

	April 1932	April 1931
Chevrolet	1,633	2,915
Chrysler	203	362
De Soto	183	208
Dodge	204	264
Durant	172	380
Essex	180	371
Ford	522	2,800
McLaughlin	344	578
Oldsmobile	99	296
Plymouth	486	255
Pontiac	388	987
Studebaker	157	195
Rockne	104	..
Willys	102	177

Four Months' Sales

Sales for the four months ended April, 1932, totalled 11,554, as compared with 19,585 in the first four months of the previous year. Quebec is again the only province to make a good showing, as compared with a year ago, in this case the total sales being 2,717, or 416 greater than the 1931 total. Ontario sales were 7,449 as compared with 15,108, New Brunswick 527 as compared with 1,001, Nova Scotia 821 as against 1,083 and Prince Edward Island 40 and 92.

Plymouth is the only make of car to increase sales in the four months' period, the comparative totals being 726 and 439. Sales of the other leading makes were: Chevrolet, 3,937 and 5,348; Ford, 1,477 and 5,028; Pontiac, 826 and 1,800 and McLaughlin, 912 and 1,078.

Commercial Autos

Commercial car sales for April were 908 as against 1,700 in April, 1931, and 2,257 for the four months ended April, 1932, as compared with 3,378 for the first four months of 1931. Chevrolet leads in April sales with 377, followed by Ford with 183 and International with 93. The same order is maintained for sales for the four months, the totals being Chevrolet 844, Ford 517 and International 188.

Laying of Tariff Bricks Across Canada-U.S. Wall Cuts Trade 60 Per Cent

Record of Past Decade Shows How Trade Between Two Great Nations Has Declined Since 1921

MORE DUTIES IMMINENT

New Tariff on Copper and Higher Import on Coal and Lumber Would Affect Trade Worth from $30,000,000 to $80,000,000 to Canada

After a lapse of just two years, United States is again making new bricks to lay atop the Canadian tariff wall.

Approval by the United States Senate recently of tariffs against lumber, coal and copper looks strongly like a further barrier against Canadian trade and the signing by President Hoover this week of the 1932 tax bill indicates that this measure is probably already in force.

Is Log-rolling Measure

According to press despatches from Washington, the new taxes are the result of pure political log-rolling, their passage being due almost entirely to the activities of senators from "oil" states who were very anxious to transfer petroleum from the free to the dutiable list and which they achieved by combining with senators anxious to see a duty on copper and higher duties on coal and lumber.

If the copper and lumber taxes do go into effect they will hit items ranking currently third and fifth in the list of Canada's exports to the United States and affect a trade which has varied between $30,000,000 and $80,000,000 annually in recent years. Outside newsprint, woodpulp and latterly raw gold, there is nothing United States buys in larger quantities than Canadian copper and lumber. Coal is currently exported from Canada to the United States to the tune of between $1,000,000 and $2,000,000 annually and is therefore not so important as the former items.

Eleven Years of High Tariff

It is now just eleven years since the late President Harding affixed his signature to the famous emergency tariff originally introduced by Congressman Fordney late in 1920. At this crucial time in world economic history it is interesting to look back at this measure which automatically affected the market for approximately $175,000,000 of Canadian products and put on the dutiable list for the first time, meat (all kinds) milk and cream, potatoes, livestock, wheat and wheat flour. It also increased the tariff against butter, cheese, apples and flaxseed so that its effect on Canadian agriculture can be readily appreciated, as these were the major items of Canada's export trade to the United States affected at that time.

The original Fordney measure as passed by both Senate and Congress was vetoed by the late President Wilson who argued that it was no time for high tariff barriers. He said: "It would strike a blow at large and successful efforts which have been made by many of our great industries to place themselves on an export basis. It would stand in the way of normal readjustment of business conditions throughout the world, which is vital to the welfare of this country as to that of all other nations. The United States has a duty to itself as well as to the world, and it can discharge this duty by widening, not by contracting its world markets."

Permanent Bill in 1922

Following the veto, a new emergency bill almost identical with the first was prepared and was passed in May, 1921, to be effective for six months and signed by President Harding. Then over a year later a permanent measure known as the Fordney-McCumber tariff and affecting Canadian trade totalling approximately $225,000,000 became law. Its provisions were considerably higher than even the original Fordney measure and again affected largely agricultural produce as far as Canada was concerned.

The next important United States tariff bill was the Smoot-Hawley tariff bill of 1930 which set a new-all-time record for trade barriers between Canada and the United States and increased by practically 100 per cent, duties on cattle, meats and maple sugar. Hides leather, shoes and soft lumber were put for the first time on the dutiable list and dairy products, potatoes and cattle were even more heavily penalized.

In order to set forth Canada's trade relations with the United States over this eleven-year period. The Financial Post has compared in tables appended herewith an analysis of this Dominion's imports and exports with the United States in (a) the fiscal year immediately preceding the passing of the United States emergency tariff in 1921; (b) in the fiscal year immediately preceding the passage of the Smoot-Hawley measure and (c) in the fiscal year ending March 31, 1932, which has just closed.

Adjustment For Price Level

The tables tell their own story but a word of explanation is necessary. In the first place it is obvious that in the past eleven years momentous changes have taken place in the level of commodity prices which has an all-important bearing on any interpretation that might be placed on the figures. Accordingly indices have been prepared which show the level of prices in each trade group in the period.

Regarding these indices, it should be noted that the precipitous decline in prices of 1920-1921 occurred during the period immediately preceding the passage of the Fordney tariff in 1921, thus the average index of prices for the two years has been used. Similarly for 1931-32, the average of prices shown by the same index for March, 1931, and March, 1932, has been given. It will be seen that in the period commodity prices at wholesale have dropped 45.7 per cent and retail prices have dropped 24 per cent, while Canada's exports to the United States, in spite of the tremendous growth of these two nations which has taken place in the meantime, have dropped 60 per cent. Similarly it is found that in the same period Canada's imports from the United States have declined almost as much or approximately 58 per cent. In the intervening decade, and in spite of the depression, the physical volume of business in Canada is now approximately 15 per cent higher than in 1921.

Comparative price indices, together with the percentage change in Canada's exports to the United States, in each group, are as follows:

COMMODITY PRICES COMPARED, 1920-21 AND 1931

Wholesale Prices:	Aver. 1920-21	Aver. 1930-31	% Change	% Change in Can. Exports to U.S.*
Vegetable products	135.2	58.1	—57%	—77.3
Animals and products	127.3	72.1	—43.4	—66.4
Fibres, textiles, etc.	136.2	72.6	—46.7	—75.9
Wood, paper, etc.	141.9	78.0	—45.0	—35.0
Iron and products	148.2	87.0	—41.3	—84.8
Non-ferrous metals	116.2	64.4	—44.6	+20.7
Non-mettalic minerals	114.4	86.5	—24.4	—63.3
Chemicals, etc.	126.2	85.6	—32.2	—65.7
All groups	132.9	72.1	—45.7	—60.0
Retail prices	116.7	88.5	—24.1	

*Between fiscal years ending March 31, 1921 and March 31, 1932.

Details of Canada's trade together with the ten leading exports and imports ranked in order of their importance in the last fiscal year, are shown herewith.

ANALYSIS BY GROUPS OF CANADA'S TRADE WITH UNITED STATES

	Years Ended Mar. 31, 1921 $	Mar. 31, 1930 $	Mar. 31, 1932 $
Imports:			
Agricultural and vegetable products	119,614,933	98,752,133	44,578,848
Animal and animal products	42,911,179	37,388,126	14,184,530
Fibres and textiles	101,738,045	71,997,597	30,944,027
Wood, paper, etc.	52,359,847	51,736,243	25,584,827
Iron and products	226,855,725	284,164,438	81,005,384
Non-ferrous metals	45,959,914	73,738,731	27,026,602
Non-metallic minerals	188,459,045	149,293,985	77,871,155
Chemicals and products	28,128,104	26,982,460	20,359,822
Miscellaneous	50,150,028	53,388,324	30,131,580
Total	856,176,820	847,442,037	351,686,775
Exports of Canadian Produce:			
Agricultural and vegetable products	146,539,883	48,626,508	11,035,258
Animal and animal products	75,751,046	66,894,165	22,478,640
Fibres and textiles	7,122,822	3,961,130	1,743,794
Wood, paper, etc.	216,011,556	237,669,413	140,473,352
Iron and products	19,630,413	11,635,491	3,097,888
Non-ferrous metals, etc.	30,029,799	101,728,976	36,176,490
Non-metallic minerals, etc.	22,493,685	18,662,256	8,233,323
Chemicals and products	12,012,849	12,535,510	4,123,489
Miscellaneous	12,730,854	13,336,314	7,960,570
	542,322,967	515,049,763	235,322,799
Exports of foreign produce	18,378,969	21,038,418	9,164,190
Total exports	560,701,936	536,688,181	244,486,989

LEADING ITEMS OF CANADA'S TRADE WITH U. S.

	Years Ended Mar. 31, 1921 $	Mar. 31, 1930 $	Mar. 31, 1932 $
Imports:			
Coal	111,283,188	50,819,351	30,123,108
Machinery	41,952,851	62,692,524	21,124,340
Petroleum	28,325,014	37,937,283	15,903,704
Automobile parts	11,729,731	35,536,938	13,361,750
Rolling mill products	65,505,709	50,200,611	12,974,380
Fruit, fresh	18,905,703	20,726,166	12,805,589
Electrical apparatus	16,918,568	34,177,488	12,646,875
Books and printed matter	11,104,846	14,720,169	9,619,969
Gasoline	12,689,612	24,877,693	8,717,066
Cotton, raw	28,164,088	21,565,653	7,807,451
Exports:			
Newsprint	68,792,319	126,288,591	89,389,666
Wood pulp	58,002,311	37,264,995	21,259,370
Copper	11,424,397	35,730,195	14,398,526
Gold quartz, etc.	3,036,084	34,375,003	12,734,198
Planks and boards	45,107,400	38,307,575	12,544,921
Fish	15,483,170	14,571,904	10,163,190
Pulpwood	21,513,594	13,860,209	8,196,144
Nickel	6,782,971	17,831,718	5,893,523
Furs, raw	7,968,191	7,603,282	4,434,125
Wheat	91,443,000	7,487,014	2,670,650

A glance along the 1932 column of Canada's exports to the United States shows clearly that our only remaining stronghold is newsprint and other wood products, and non-ferrous metals, chief of which are copper and gold. Fish also maintains its place in spite of lower commodity price levels. Of other important items of a decade ago, the chief loss has been in wheat and other agricultural and animal products to the extent between $125,000,000 and $150,000,000. For instance, the item "animals living" (largely cattle) has disappeared almost entirely. This was a $25,000,000 export ten years ago.

A word of explanation in regard to wheat is in order. The figure for Canada's export of wheat in 1920-21 of over $91,000,000 is an abnormal one and unduly swells the total of agricultural exports for that year. Unusual conditions in that year aided by the prospect of a high tariff are responsible, but the annual average value of Canada's wheat trade with the United States averaged roughly $20,000,000 before it was placed on the dutiable list. Other items of export which have largely disappeared are whisky, farm implements, potatoes, dairy produce and so forth.

As to the 58 per cent decline in Canada's imports from United States in this period, it is difficult to estimate whether business depression or tariff policy has been the most important influence. Looking down the list of Canada's ten leading imports in the last fiscal year and comparing these with previous years, it seems clear that once business resumes a more normal development, our imports of machinery, automobile parts, coal, crude oil and so forth will increase substantially. The emphasis will be, of course, wherever possible on raw or semi-manufactured goods rather than manufactures. Also other important items no longer among the first ten, such as farm implements, engines and boilers, wood products (unmanufactured) and so forth will probably show considerable revival although a former headliner "automobiles" will probably never again regain its former prestige.

Business Briefs

Carloadings for the week ended May 28 amounted to 39,564. This was a decrease of 4,114 cars from the previous week, mainly accounted for by the holiday on May 24. The index number declined from 71.35 to 70.56. After adjusting for the holiday, the western division showed a rise in index number from 76.31 to 78.79 although the actual number of cars loaded was 1,102 less at 13,606. Eastern division showed a decrease from 28,970 to 25,958, the index number dropping from 69.00 to 66.30.

Honey Production in 1931 totalled 27,867,397 pounds valued at $2,058,094 as compared with 29,549,386 pounds valued at $2,584,474 in 1930. Ontario led with 12,000,000 pounds, Manitoba was second with 7,367,375 pounds and Quebec third with 5,633,400 pounds. The average price was 7 cents a pound as compared with 9 cents in 1930.

Vancouver Grain Shipments are currently running on a higher level than in 1930-31. For the crop year to date shipments have totalled 64,401,597 bu. as compared with 57,542,050 bu. for the same period of the previous crop year.

Raw Sugar Imports in April totalled 35,447,400 pounds as compared with 41,059,000 in April, 1931, and for the four months ended April, 169,840,300 pounds as compared with 162,437,100 in the same period of 1931. The feature of the April import was 10,994,200 pounds from Cuba.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (May 28)	39,564	51,824	868,242	1,007,233
C.P.R. gross earn. (May 31)	$2,232,000	$3,681,000	$47,143,000	$59,268,000
C.N.R. gross earn. (May 31)	$3,664,195	$4,655,757	$57,750,742	$73,039,615
	Monthly			
C.P.R. net earn (Apr.)	$918,483	$1,347,039	$2,935,898	$8,812,286
C.N.R. net earn. (Apr.)	$1,067,971	$894,891	$449,023	$993,350
Iron and Steel—				
Pig iron, tons (Apr.)	16,898	53,792	55,699	192,889
Steel, tons (Apr.)	36,080	91,461	133,131	331,037
Automobiles prod. No. (Apr.)	6,810	17,159	24,336	46,512
" exports, No. (Apr.)	355	1,209	1,943	7,798
Construction—				
Building Permits (April)	$4,237,160	$13,495,165	$12,901,288	$38,241,259
Contracts, May	$14,186,000	$36,895,700	$62,706,500	$133,144,200
Newsprint—				
Production, tons (Apr.)	176,660	205,838	666,990	741,740
Exports, tons (Apr.)	138,785	152,360	625,793	650,503
Sugar—				
Imports, raw, lbs. (Apr.)	35,447,400	41,059,000	169,840,300	162,437,100
Melt. & ship., lbs.*	64,566,796	81,036,063	207,549,836	251,794,244
Manufactured, lbs.*	58,751,252	76,655,478	§200,078,899	242,192,048
Flour—				
Production, bbls. (April)	993,385	1,058,311	3,740,470	4,344,378
Wheat flour exp., bbls. (Apr.)	255,390	326,117	1,339,488	1,693,699
Other Industrial Indices—				
Lumbering: Plank & board exports mill ft. (Apr.)	42.60	67.87	234.45	291.76
Boots & shoes, pr. (Mar.)	1,720,208	1,729,930	4,390,813	3,991,819
Petroleum, imp. crude, gal. (Apr.)	38,565,064	47,803,049	227,511,589	239,770,908
Cotton, imp., raw, lbs. (April)	6,230,000	6,155,000	30,044,000	32,533,000
Rubber, raw, imp., lbs. (Apr.)	3,584,609	4,637,544	17,151,892	19,529,491
Coal, imports, tons (Apr.)	542,398	537,530	2,392,249	2,976,394
Trade—				
Imports (April)	$29,794,296	$51,189,376	$156,943,094	$227,932,656
Exports (April)	$26,975,756	$33,935,075	$141,522,817	$177,473,837
Wheat exports, bus. (April)	7,513,289	4,680,769	36,805,632	37,581,791
Labor—				
Employment Index (May)	87.5	102.2	....	....
Electric Power—Output—				
M. Kilowatt hours (Apr.)	1,334,323	1,411,090	5,474,624	5,656,356
Finance—				
Failures, No. (Mar.)	208	178	667	606
Failures, Liabilities (Mar.)	$3,399,052	$3,184,198	$11,108,423	$11,944,578
Bank Debits† (Apr.)	$2,073,906	$2,786,354	$8,159,024	$10,560,003
Bond sales (May)	$23,500,329	$20,119,696	$119,936,183	$230,421,519
Insurance sales (April)	$33,629,000	$45,648,000	$146,572,000	$173,961,000
Automobile Financing:				
Used cars (Apr.)	$1,377,325	$2,877,698	$3,950,870	$7,258,004
New cars (Apr.)	$1,567,388	$3,376,264	$3,987,840	$7,096,594

*Four weeks' period, Apr. 24 to May 21. †(000's omitted). §Jan. 1 to May 21.

MAY EMPLOYMENT AT SAME LEVEL AS PRIOR MONTH

Reports from Various Trades Show Seasonal Gains and Losses

Number of persons employed in Canada on May 1 showed practically no change from the figure at the beginning of the previous month, according to statistics compiled by the Dominion Bureau of Statistics from figures supplied by 7,882 firms throughout the Dominion. The total payrolls of these employers aggregated 799,944 persons, as compared with 799,544 in the preceding month. This slight gain was not sufficient to change the index number, based on the average for the year 1926, from 87.5, at which it stood at April 1. This index number compares with 102.2 at the beginning of May, 1931, and 111.4 at May 1, 1930.

Construction, transportation and trade recorded the greatest improvement in employment, while there were also gains in logging and services. On the other hand, there was seasonal curtailment in coal mining; manufacturing was quieter and highway construction showed reductions as a result of the cessation of unemployment relief works in some districts.

Quebec, the Prairie Provinces and British Columbia reported higher levels of employment than at April 1, while Ontario and the Maritimes were lower than at the beginning of the previous month. Ottawa and Quebec City were the only cities to show any improvement in employment over their position at April 1.

Montreal — Transportation, trade and building construction busier while manufacturing and road construction afforded less employment. No general change in totals.

Quebec—Improvements in shipping and construction. Other industries showed little change.

Toronto — Building construction, trade and transportation reported increases in personnel, but manufacturing and highway construction were slacker.

Hamilton and Ottawa—Construction and transportation improved but manufacturing quieter.

Windsor and Border Cities—Moderate curtailment, chiefly in automobile factories.

Winnipeg—Retail trade brisker and also improvement in transportation. Manufacturing, however, showed an important contraction.

Vancouver — Construction showed an increase but it was more than offset by a decrease in manufacturing.

No. of Telephones Takes First Drop in History

A drop of 2.8 per cent in the number of telephones in Canada at the end of 1931 as compared with the end of the previous year, is indicated by figures published this month in Blue Bell the official organ of the Bell Telephone Co. Total telephones in Canada according to this compilation number 1,380,037 a drop of 2.8 per cent from the 1,419,854 installed at the end of 1930.

On a per capita basis this gives Canada 13.18 telephones for every 100 citizens as compared with 14.18 per hundred in 1930.

This is the first time since the record was first compiled in 1911 that the number of telephones in Canada has failed to record an increase. The curve of growth has been sharply upward since 1916 until last year when it began to flatten out although even then there was a slight gain of 20,039 over the 1929 figure.

Saskatchewan Hit Most

An analysis of the 1931 figures show the greatest telephone mortality was in Saskatchewan where nearly 13,000 telephones or over 13 per cent were discontinued during the year. Ontario lost 12,300 phones but the percentage decline there was only about 2 per cent. Alberta lost 8,000 phones with a percentage drop of roughly 10 per cent while Manitoba came next with a loss of 4,800 phones. Quebec and New Brunswick were the only other provinces to show a loss with a decline of 1,400 and 700 respectively during the year. Gains in the remaining three provinces were very slight, the total net loss for all provinces for the year being 39,817.

Comparative figures by provinces are as follows:

Comparative Telephone Station Development by Provinces, 1930 and 1931

	Dec. 31, 1931 No. of Phones	Per 100 Pop.	Dec. 31, 1930 No. of Phones	Per 100 Pop.
Quebec	308,120	10.5	309,582	11.2
Ontario	623,838	18.0	636,118	19.1
P. E. Island	5,938	6.7	5,712	6.7
Nova Scotia	47,484	9.3	47,193	8.6
N. Brunswick	34,241	8.4	34,959	8.2
Manitoba	73,886	10.5	78,658	11.6
Sask.	85,450	9.2	98,354	11.1
Alberta	70,578	9.5	78,784	11.8
B. Columbia	128,929	18.3	126,876	21.4
Yukon	200	4.8	200	6.7
N. W. Territories and others	1,378	..	1,418	..
Total	1,380,037	13.2	1,419,854	14.2

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OPINIONS AIRED ON LATEST PLAN NATIONAL BRICK

Directors and Committee Do Not See Eye to Eye

From Our Own Correspondent

MONTREAL.—Though the annual meeting of National Brick Co. at Laprairie was routine in character, discussion on the announced reorganization plans featured a difference of opinion existing between the directors of the company and the bondholders' committee in regard to the fairness of the scheme evolved by the latter in an effort to settle the company's problems.

On a shareholder requesting information as to where the company's preferred shareholders stand in the proposed deal, the chairman called on W. G. Hanson, who heads the committee, to explain the situation. His explanation involved a reference to the attitude of the Brick Company directors, suggesting that the latter had failed to see eye to eye with the bondholders. His committee, said Mr. Hanson, had endeavored to arrive at a result which would be fair and equitable, and leave something for the preferred and common shareholders of the National Brick.

Hon. Mr. Ballantyne thereupon explained his attitude and that of his board. They and he felt that the consideration accorded the Cooksville Company in payment for their Delson plant was too much, and an additional grievance was the fact that the National company's plant and business had been committed to the administration of a Cooksville executive by the Royal Trust Company, rather than to a neutral as Hon. Mr. Ballantyne requested. The chairman went on to say that the company, by reason of its long establishment and good trade connections, about 95 per cent of all recent larger contracts in Montreal having been secured by it, deserved a more equitable deal, but such it had been unable to obtain. He mentioned that its total capacity was about 100,000,000 bricks per annum but in the best of times their annual output had seldom exceeded 65,000,000. The meeting concluded with the election of the board as follows: Hon. C. C. Ballantyne, Paul Galibert, H. R. Trenholme, Hugh Mackay, W. E. Muir, and Norman J. Dawes.

Cooksville Co.'s Position

The announcement that the Delson properties of Cooksville Co. were to be taken over by an unnamed company under the reorganization plan as proposed by the National Brick Co. of Laprairie, has caused some confusion in the minds of shareholders of the former company.

The Cooksville Co. will remain intact—there will be no change in the present outstanding capitalization which includes $400,000 par value 7 per cent cumulative shares and $1,600,000 common stock, shares with par value of $100 each. The Cooksville Co. is parting with its Delson property, together with working capital. It will receive in consideration, $500,000 par value of preferred stock, together with 74,643 common shares of a total of 100,000 shares of the new company.

EXCHANGE CANCELS INCREASE IN DUTY ON MILK TO U. S.

Spurs Demand for Canadian Cows—Market is Over-supplied

Canadian dairymen have been somewhat helped recently by the fact that the discount on the Canadian dollar has practically obliterated the increase made in 1930 in United States customs duties against dairy products. The entree thus given is not of so much importance as it would have been if prices had not been falling very rapidly as well. Butter prices have fallen in Eastern points in United States much faster than milk prices. Buyers, it is reported, grow steadily more exacting in their demands for higher quality at lower prices.

Transportation and selling costs have not changed so that the producer's dollar has to suffer a much higher discount than might otherwise be the case. In fact, it is reported that the percentage of transportation cost has risen so high that in many districts it has become unprofitable in the United States to ship surplus milk.

Buying Canadian Cows

As there is no tariff on cows bought for improvement of stock, the demand from the United States for good milk cows from Canada still continues to a certain extent. It is reported that U. S. farmers have been increasing their herds and consequently the surplus milk supply. United States dairymen have been able to purchase $100 Canadian cows since the discount on the Canadian dollar all the way from $78 up to $88 as the exchange fluctuated.

Chain store marketing of milk has become less intensive in character in the United States and it is reported that various chain stores are co-operating against senseless price wars among themselves and with wagon delivery retailers. Unorganized farmers, however, find outlets among a new group of dealers who are crowding in, attracted by what looks like a good stretch between wholesale and retail prices! Some associations of producers have even asked on this account that dealers sell as low as possible in order to discourage new competitors.

United States and Canadian experience to date shows that orderly readjustments of price prevent price wars, but that sudden drops precipitate them as shown recently in Buffalo and Winnipeg.

Co-operators are trying to persuade their own members to curtail herds. They see that the public obviously is not able to purchase all the milk available.

Some progress is being made in taking up surplus stock of milk by activity in manufacturing milk products at country points as the answer to high shipping rates on milk.

Commercial Rentals Now Well Adjusted To Commodity Levels

Adair Gibson Says Occupancy of Best Office Buildings Still High

REALTY VALUES HOLD

Minority Take Lower Prices But Majority Believe in Future Appreciation; Faulty Appraisals Condemned

"All types of commercial rentals in Toronto have come down in line with the decline in commodities generally," said J. Adair Gibson, of Gibson Bros., real estate brokers, Toronto, to a representative of The Financial Post who enquired as to stability of rentals and percentage of occupancy of office buildings. "As to percentage of vacancies there is no cause for alarm: a survey recently made as to occupancy of the forty leading fire-proof office buildings in Toronto showed the percentage of vacancy in January, 1932, to be 12.6 per cent as compared with 10.9 per cent in October, 1931, and 10 per cent in May, 1931. That increase of 2.6 per cent in the course of a year is the only untoward factor and it is not alarming. In the remaining buildings, which are not so modern in character, the percentage of vacanacy would probably be greater."

"Commercial rentals are where they should be today," said Mr. Gibson. "I mean by that that they have kept pace with the general decline in prices and they do not have to come down any further to accommodate themselves to conditions. The declines in rentals from 1929 for commercial space have been about 30 per cent. "Those who find thmselves obliged to sell real estate at present naturally have to sell at prices which take into consideration the present decline in rental revenues but the vast majority of people are unwilling to sell at such prices. They believe that Toronto will continue to grow in population and in wealth and that real estate values will keep pace with that growth.

Toronto Not Overbuilt

"In my opinion the majority of people are right in this belief. Toronto is not overbuilt; it is undoubtedly growing, and space as a natural result, when business hits its stride again, will once more be in demand.

"Real estate in this depression has proved its value as an investment. Compare a Toronto real estate investment made with good judgment in 1929 with any other type of investment and it will compare very favorably. Those who lent money then on real estate, taking ordinary reasonable care in so doing, still have an ample margin of security in most cases. We are in touch with real estate brokers throughout the United States and Canada having membership in the National Association of Real Estate Boards and comparisons indicate that real estate in Toronto has held up better than in any other city of the continent. That is because conditions are sound here. The coming of new industries has helped, but the conservative nature of the people prevented us going too far in boom times and there is not so much ground to retrace now.

"There is no need for more office buildings or apartment houses at the moment. There is a demand for new factories because of the new industries locating here."

Proper Appraisals Essential

Asked about the financial position of various office buildings and apartment buildings in Toronto, Mr. Gibson stated that those buildings which have been properly financed are in good shape. Where they are not doing well or where there is any default under the mortgage, it could be traced in most cases to faulty methods of financing. Where apartment house and office building financing entailed an excessive bond issue the latter was too often made possible by faulty valuations as to the value the completed project would have and as to probable rental returns. The valuation should be made, he said, by competent real estate brokers or by the Toronto Real Estate Board, the Montreal Real Estate Board, or such boards in other cities. These boards or the reputable real estate broker employed should also certify in valuations that the valuators have no interest of any kind in the project. Too often in the past such appraisals were made by men who were not real estate brokers and who were vitally interested in the projects. In effect, the owners themselves were making the valuations. There were real estate boards of high standing in most of the cities of Canada so that proper appraisals were easily available to those who desired them.

Lyall Scott, manager of the mortgage loan department of Gibson Bros., expressed the opinion that the bond system of financing should be applied in very few cases to large projects such as office buildings and apartment houses. He thought it was much better that large institutions should supply the money on mortgages rather than on bonds, that there would be very much better inspection of costs and of values in such cases, and that buildings would be constructed more advantageously and with a very small waste of funds as compared with cases in which the money was supplied under inadequate supervision through bond issues. In the case of a mortgage, he pointed out, there is principal reduction each year, making the demand for interest less through the life of the mortgage. In the case of most bond issues, the amount of principal and the amount payable in interest remain the same through the life of the issue and that was decidedly unsound as very few buildings remain after ten or twenty years as good revenue producers as at the beginning. Changing trends as to the value of districts as well as the inevitable depreciation of anything constructed by man, had their bearing on this. The general tendency was for revenues to become less as the building became older. The provision of sinking funds did not entirely meet the situation.

Shell to Build New Refinery Burrard Inlet

From Our Own Correspondent

VANCOUVER.—Shell Oil Company will begin construction at once of the first unit of a $1,000,000 refinery on Burrard Inlet, it was announced by Charles Anstie, Vancouver manager. The plant will be located on an eighty-acre tract purchased by the company two years ago from Burnaby municipality for $20,000.

The refinery will be equipped with a 400-foot deep sea dock at which tankers will discharge their cargoes of fuel oil. The first unit will refine between 2,500 and 3,000 barrels of crude oil per day and its output of gasoline will be distributed throughout British Columbia. Eventually the plant will handle about 100,000 barrels daily.

W. N. Thompson, of San Francisco, chief engineer for the Shell Oil Company on this coast, who has built refineries for the company in many parts of the world, will supervise the construction job, to be directly in the hands of C. E. Frisholz, of Vancouver, specialist in refinery building.

CANNING INDUSTRY CURTAILS OUTPUT TO AVOID GLUT

Less Tomatoes, Corn, Peas, Beans and Garlic Canned in 1932

Statements made in The Financial Post recently as to prospects of the canning industry are confirmed in a report emanating from the Quebec Department of Agriculture to the effect that Canned Goods Ltd., an Ontario co-operative organization, and the Quebec Association for the Production of Canned Goods, have reached a favorable point in their negotiations to arrange for curtailment of production of canned foodstuffs in both provinces to avoid glutting the market and to enable producers from both provinces to sell at fixed prices.

The agreement, reports the Quebec Department of Agriculture, has already been reached by both parties to reduce production of canned peas, tomatoes, corn, beans and garlic. The Montreal Gazette's account of this arrangement states that Quebec will curb her canning of this produce by 30 per cent as compared with 1931, while Ontario will reduce her production by 60 per cent.

It is understood that the Hon. Adelard Godbout, Minister of Agriculture in Quebec, has taken a prominent part in the discussion. Three members from Ontario's co-operative canned goods' organization, and three members from the Quebec association have joined together under a joint co-operative and incorporated company to be known as National Canned Goods, Inc. Powers of the committee involve the curtailing of production of canned goods in both provinces when necessary and also in establishing fixed prices. Efforts will be extended in the near future to curtail production of other canned vegetables than those mentioned as well as fruit and possibly chicken and meats.

Ask Maritime Aid

In 1931 Quebec produced 39,959 cases of canned fruits, valued at $117,314, as compared with Ontario's 676,315 cases, valued at $2,620,908. Canned vegetables in Quebec amounted to 136,686 cases valued at $2,313,143 and in Ontario to 6,211,526 cases valued at $13,957,518. Quebec led in the production of canned meats, with 4,399,691 cases valued at $542,000 as compared with Ontario's 260,120 cases valued at $54,746. Of canned chicken Quebec last year produced 8,139 cases while Ontario produced 858,065 cases valued at $2,971,083.

In connection with canned fruit, Maritime producers may be asked to step into the agreement as it is thought that their co-operation would be needed for success. Fish canners in the Maritimes regard the matter of reduction in production of canned fish in a favorable light. Quebec has been increasing her production in this way, producing in 1931 11,996 cases and it expects a much greater production for 1932. Several new canning factories have been built along the lower St. Lawrence and on the Gaspé coast, and the estimated production for this year nears $1,000,000.

LISTS RAIL RATES TO CHURCHILL, MAN.

With Exception of Manitoba, Differential Only Slightly Higher

A complete schedule of freight rates on grain and grain products from Canadian National Railway points throughout the Prairie Provinces to Churchill, Man., has recently been issued by the W. Sanford Evans Statistical Service, Winnipeg.

Comparison of freight rates per bushel of wheat to Ft. William and Churchill shows that with the exception of Manitoba points, the extra differential to Churchill is only slightly more expensive. Water rates from Churchill have not yet been announced but it is expected that the saving in cargo rates will offset the increase in freight charges for a large part of the middle west. It seems likely that the Winnipeg area and the far west will continue to ship most of their grain via. the Great Lakes and the Pacific respectively.

Comparative freight rates per bushel of wheat to the head of the lakes and to the Hudson Bay for a number of representative points are as follows:

	Head of Lakes	Hudson Bay
Winnipeg	8.4c.	13.8c.
Brandon	9.6c.	13.8c.
Yorkton	11.4c.	11.4c.
Regina	12.0c.	13.2c.
Saskatoon	13.2c.	13.8c.
Calgary	15.6c.	15.6c.
Edmonton	15.6c.	15.0c.

INDUSTRY ASKED IF BANK LOANS CAN BE OBTAINED

Assoc. Business Papers Circularize Members—Replies Vary

"What evidences are there in your industry that sound credit risks are unable to secure bank loans for business?" was the question recently asked editors of business papers throughout the United States by Associated Business Papers Inc., New York. The same organization asked 24 large banks scattered from coast to coast in the United States to reply to this query, "Are banks unwilling to make sound-looking business loans. Or is business unwilling to risk borrowing?"

Response to the latter question was extremely poor, six banks sending partial replies, 3 courteous refusals and 15 no answer. No summary was attempted by the A. B. P. of these replies and only one reply was quoted. The president of one bank said in part: "We have been running with excess money for some months now and are constantly seeking an opportunity to use same. However, the commercial borrowers are practically out of the market, due to the quiet state of business and low prices prevailing."

Building Trade Complains

Comprehensive returns were received from business paper editors and these are notable for their variance in experience. General experience seems to be that the groups which have least to complain of in regard to treatment from the banks are those engaged in food packing, bakery, and dairy industries. Practically all other industries would appear to have severe credit problems according to the questionnaire, the chemical, building and building materials industries being loudest in their protests.

Finds Canada's Outlook Now Highly Favorable

Britain's Senior Trade Commissioner in Canada Summarizes Dominion Outlook in 1931 Annual Report

By F. W. FIELD

H.M. Senior Trade Commissioner in Canada and Newfoundland

Canada is probably in a better general condition at this time than is any other country. The resistance of Canadian industry to the forces of the depression has been notable.

The hardy character of the Canadian people has been cited as one of the principal reasons. While that is true, the country's industrial and financial fabric received considerable strength during the good years from 1925 to 1928. Canada still has vast natural wealth. Greater assessable values of increased rates of taxation have maintained collections of taxes. The national wealth is estimated at about $30,000 millions.

Strong Recuperative Power

The country has strong recuperative power. The last period of prosperity was between 1925 and 1928. A comparison compiled by a Canadian bank, of the world's record of production and that of Canada during the years mentioned, gives an idea of the Dominion's productive power. The world's increase of wheat production between 1925 and 1928 was 13 per cent and Canada's 35 per cent. The comparison for coarse grains is 5 and 21 per cent respectively. In the mining group, the world increased its coal production by 5 per cent and Canada by 33 per cent; petroleum, 24 per cent and 88 per cent; zinc, 25 per cent and 70 per cent. In manufacturing output, the Dominion's increases ranged, in various lines, from 18 to 217 per cent and the world's gains from 7 to 103 per cent. Canada recorded a 43 per cent increase in developed water power and 26 per cent in foreign trade compared with world percentages of 17 and 3 respectively.

If the depression continues much longer, then Canada may find its common round and daily task more difficult than in the past. As soon as world conditions improve, the Dominion is likely to be one of the first countries to recover. Indeed, there is ground for the opinion held by many that this country is about to enter another era of active development. It has serious problems to solve, as have all nations at this time. Not the least is the position of its two transcontinental railways, their relation one to the other and to the country's economics generally. This subject is receiving the attention of Royal Commission.

Long Observer of Conditions

The writer has been a close observer of Canadian conditions for the past 25 years. The virility and energy of the Canadian people and their desire, in these modern days, to leaven tested precedents with courage and experiment, have been impressive. The country's productive power and possibilities of development have proved outstanding factors. These in turn have added materially to the recuperative powers in times of depression. After the exceptionally active period between 1906 and 1912, it may have been that light punishment was due for economic sins. The outbreak of war not only postponed the chastisement but gave an impetus to industrial production that raised the status of the Dominion and placed it in the ranks of the important producers. It suffered through the minor depressions after the war and is carrying its share of the present depression which is the gradual and cumulative result of the war.

In spite of the occurrence of two major depressions, rapid development marked the post-war period in Canada. The shortage of staple commodities throughout the world and a substantial domestic demand, induced Canadian idustries to increase production. For two years after the war, economic activities continued at high tide. To assist the general expansion, there were four exceptionally favorable crops culminating with one in 1928 that was greater than in any previous year. Making itself a third partner of increased industrial and agricultural output, came the resumption of development of natural resources as a source of raw materials.

The primary iron and steel industry witnessed unusual expansion and water power developments proceeded apace. This general position continued until the latter part of 1929 when an abrupt change occurred. It is reflected throughout the statistics of the past three years compared with the period between the end of the war and 1928. In June three years ago, industrial production was at its height. Then came the beginning of the serious situation which has since faced the world.

The history of the Dominion, however, inspires faith in its power to overcome the obstacles which bar its best progress. At this time there appears before us an attractive avenue, scarcely explored, for co-operation between the units of Empire, in their mutual interests and for a combined attack upon their present problems.

Kelowna Widens Storage Facilities

Work has started on the Kelowna Growers Exchange addition to their cold storage which will provide space for approximately 70,000 boxes of apples. A local Kelowna contractor will erect the addition which will cost about $34,000.

FLOOD-LIGHTING BASIS OF ACTION FOR FIRST TIME

Claim Against Huron & Erie Mortgage Co. Dismissed by Court

Huron & Erie Mortgage Corp. was recently the defendants in a novel case which has no parallel in the court records of the British Isles, United States or Canada. The action, which claimed damages for loss of business through the flood-lighting of the defendants and sought to restrain it from further flood-lighting, was dismissed by Justice Wright in the London, Ont., court.

The head office building of the defendant in London, Ont., is flood-lighted on two sides by three batteries of reflectors, two of which are placed on buildings on the opposite side of the street. In addition there are two beacons, one a revolving Sperry light and the other a directional light for aviators.

Noyes, the plaintiff, had in operation on a building on the opposite side of the street, a spectroscope, which automatically projected lantern slide advertisements upon a frame placed fifty feet away. Noyes sued for $20,000 damages for loss of business due to the illumination and for an injunction against any further flood-lighting by the defendant, which might tend to injure the plaintiff's business.

Justice Wright, in his judgment, stated that while the plaintiff's business showed a falling off in monthly returns this was chiefly because his location was not an advantageous one and that there was a limited constituency to which the screen was visible and, on the whole, there was nothing more than a slight interference with the plaintiff's system by the defendant's flood-lighting.

N. S. Evaporator Plants Active

During the past season evaporator plants in the Province of Nova Scotia used 103,093 barrels of apples; the cider mills used 78,082 barrels and the canning factories 2,606 barrels.

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Under 1930-1932 Customer-Ownership Plan

NOTICE TO CUSTOMER-SHAREHOLDERS

SUBSCRIBERS who have moved are reminded to complete and forward the "Notice of Change of Address", which constitutes the last sheet of the subscription pass-book, with the twenty-fourth and final instalment due June 15th on account of no-par-value shares subscribed under 1930-1932 customer-ownership plan, or separately if payment in full has been anticipated. Prompt compliance with this requirement is urged for the protection and benefit of the subscriber by thus assuring correct issue and safe delivery of certificate. Unless notice is received by June 30th, as provided in change of address form, certificate will necessarily be mailed to the address as recorded, with consequent risk of loss to subscriber.

In this connection the following offer extracted from our special ANNOUNCEMENT of November 4th last will be recalled:

> "In lieu of no-par-value common shares subscribers may elect to receive an interest-bearing debenture, of a value of fifty dollars ($50.00) for each share purchased, secured by the full credit of the Company and GUARANTEEING THE RETURN IN FULL OF THEIR INVESTMENT, with the added privilege of re-conversion by the holder into no-par-value common shares at $50.00 per share up to July 1st, 1937.
>
> "These debentures will be for a term of seven years in registered form with detachable bearer coupons in payment of interest *(since changed in favor of payment by cheque)* at the rate of 3 per cent. per annum, payable semi-annually on January 1st and July 1st of each year. They will be dated July 1st, 1932, and the capital redeemable at full face value on any interest date from July 1st, 1937, to July 1st, 1939, at the option of the Company, with the privilege to the holder of converting each fifty dollar ($50.00) debenture into one no-par-value common share of the Company up to July 1st, 1937. Both interest and capital will be payable at any branch of the Royal Bank of Canada in the City and District of Montreal without charge."

Prompted by the intimation received—since the option above reproduced was extended—that the majority prefer debentures, and as these debentures may be exchanged for common stock immediately upon receipt without cost to the holder, it has been deemed desirable that debentures be issued to all subscribers in order to avoid unnecessary complication and delay. Consequently, subscribers will not be required to express their option as proposed last November; thus making it possible to issue certificates promptly on or about July 15th.

Certificates can only be issued at this time provided all instalments are paid by June 15th, in accordance with the subscription agreement. Furthermore, contrary to an unofficial report, the Company is not at liberty to issue certificates pro rata or refund amount paid in the case of subscribers who have not completed instalments. However, arrangements may be made by subscribers who are unavoidably in arrears for a reasonable extension of time in which to complete payments with proper adjustment of interest at the rate of 3 per cent. per annum.

SUBSCRIBERS GENERALLY—PARTICULARLY THOSE WHO MAY BE UNABLE TO COMPLETE INSTALMENTS EVEN WITH THE EXTENSION OFFERED—*SHOULD BEWARE OF UNSCRUPULOUS INDIVIDUALS WHO MAY OFFER TO BUY THEIR EQUITIES AT LESS THAN REAL WORTH*. ALL SUCH OVERTURES SHOULD BE REGARDED WITH SUSPICION AND SUBSCRIBERS ARE STRONGLY URGED TO CONSULT ONLY THEIR BANK MANAGER, A REPUTABLE BROKER OR OTHER COMPETENT INVESTMENT AUTHORITY FOR ASSISTANCE TO COMPLETE THE TRANSACTION; WHICH ACTION THE COMPANY WILL BE GLAD TO FACILITATE.

However, customer-subscribers are earnestly advised not to sacrifice their equities or rights but to make every effort to retain their investment, even though conditions might make this course temporarily difficult. It should be remembered that, judged by the past record of Montreal Light Heat & Power, eventual improvement in conditions coupled with normal growth of the Company is bound to be reflected in the market valuation of its no-par-value common shares, and make it profitable to exchange the debentures for shares.

In any event, in addition to giving them such call on the stock (regardless of market price) during five years, the issue of debentures in place of common stock absolutely guarantees subscribers against loss by assuring the return of their money in full with interest.

MONTREAL, June 1st, 1932.

Montreal Light Heat & Power
CONSOLIDATED

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JUNE 11, 1932 | 10c a Copy; $5.00 a Year | No. 24

IMPERIAL OIL MEETS JUNE 10, EARNINGS DOWN

Common Dividends Covered With Margin Little Less Than 1930

FARES WELL NOW

United States Duty Against Petroleum May Not Hurt International Pete—Is World Company

Imperial Oil, Ltd., at the annual meeting on the morning of June 10 will not be able to show shareholders as satisfactory earnings as in the preceding year when 72 cents a share was earned on the common stock. Domestic earnings, because of lower prices and somewhat restricted production in Western Canada, are understood to have been somewhat lower than in the preceding year but once again foreign earnings of the company have been substantial enough to bring the total earnings within several cents a share of the 1930 figure.

Such a result was expected as The Financial Post has on several occasions estimated that the company would show its dividends earned in 1931 by a substantial margin. More interest is now taken in the events and expectations of the current year than in the events and results of 1931, which are regarded by shareholders largely as water that has passed under the bridge.

Hopes for Tourist Season

Hon. Leopold Macaulay, provincial secretary, has just stated that in the last six months gasoline sales exceeded those for the same period a year ago by 6 per cent. Motor car registrations fell off greatly but people are evidently using their old cars more and it is altogether likely that any general increase in Ontario would be shared by Imperial Oil.

However, it is in the last seven months of the year that companies selling gasoline and lubricating oils hope to make their largest sales. The tourist season of 1932 is not likely to be featured by such an influx as was experienced in 1928, 1929 and even 1930 because depressed conditions now in the United States may restrict travel. On the other hand the cheapness of Canadian exchange is likely to tempt many people to have a cheaper, better holiday in Canada than they could have in their own country.

Oil Companies Exonerated

The investigation by a parliamentary committee at Ottawa into the price of gasoline in Canada resulted in a corps of about 12 auditors putting the accounts of Imperial Oil under one of the most searching scrutinies ever given the books of a private company for a parliamentary committee. It was felt that, as Imperial Oil was the Colossus of the Canadian industry, a thorough probe of that company would show all that was necessary. Books of other oil companies were mainly searched only to discover, if possible, inter-relationships with Imperial Oil. The result was an entire exoneration by the auditors, and the majority of the committee, of the oil companies of Canada from charges that they had taken advantage of protection to charge exorbitant prices to the public of Canada. Though showing a profit of one cent a gallon on gasoline sales in Canada it was intimated that Imperial Oil might conservatively have charged insurance and other charges which other companies have to meet but which this company absorbs, thus reducing the profit per gallon.

Comparing U. S. Prices

It is scarcely likely that the agitation against the present prices will subside in every part of Canada because of the verdict of the auditors. Several members of the committee argued that Canadian oil companies should provide gasoline and other oil products at prices comparable with United States prices even though those prices were "distress" prices and meant a loss to the companies selling the gasoline. Their arguments are apt to have more effect in their constituencies because the difference between United States and Canadian prices is made more apparent through the United States gallon being much smaller than the Imperial gallon used in Canada and provincial taxes in Canada being much higher as a rule than state taxes in the United States. The United States prices are also lower than they would otherwise be because of the great gasoline racket which cuts out, for a large proportion of sales, the state taxes altogether.

If U. S. Bars Petroleum

Tremendous interest will be taken in the current year in the production and sales of International Petroleum, Imperial Oil's principal subsidiary. If the United States really imposes a tax on petroleum imports, that will affect some of the exports of International Petroleum but not to the extent that many people fear. It is believed that International Petroleum would replace the United States markets by other foreign markets quite quickly. Standard Oil of New Jersey, largest shareholder in Imperial Oil, is merging some of its foreign subsidiaries with Pan-American Petroleum, lately acquired. A certain re-shuffling of foreign markets is likely. The United States imports along the Atlantic seaboard but exports from California and the Gulf of Mexico. It is probable that she will lose in exports what she saves by refusing to import.

Certainly the refinery at Halifax can be expanded to take care of much larger production, if necessary. A refinery could be built at

(Continued on page 10)

Canada Comes Through - - 1837

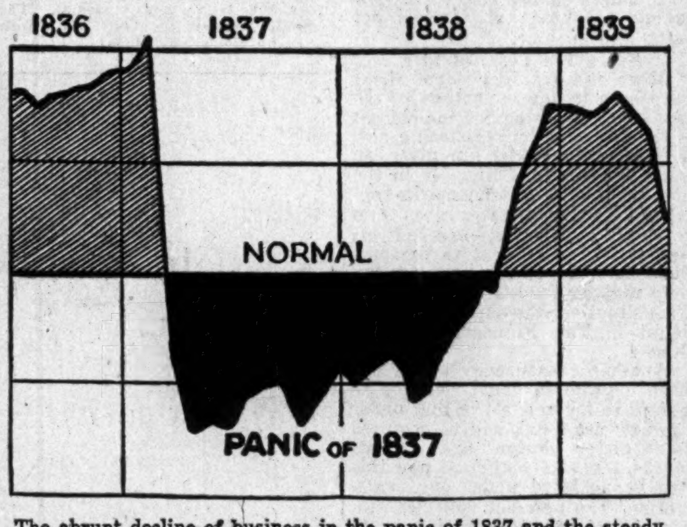
THE early thirties of the last century comprised a period of buoyant prosperity in Britain, the United States and Canada. Britain had discovered the great instrument of credit as a means of expanding foreign trade. Particularly did British investors pour capital into the United States. British merchants sold steel rails and other commodities on long term credits. British investors bought heavily of American securities. There was much that was unsound. Prices were rising rapidly. Speculation was rampant. Many joint stock banks were formed in England, more than the country needed. Many new banks started up in the States and drew gold from London.

Inflation passed reasonable bounds. In 1836 the Bank of England stopped discounting American paper. It raised the discount rate. A crisis was precipitated. Loans to America were called back. The crisis spread to Wall Street.

A gigantic corner in cotton crashed instantly. The whole of the south was bankrupt (and remained so for some years). There was a general suspension of specie payments. Over 600 United States banks failed. The crisis in the money market was acute. By May, 1837, Wall Street was in a raging panic. The biggest firms in the street collapsed. The huge developments that were being financed by British capital halted as the capital was withdrawn.

In Canada the scattered groups of British colonies were hard hit. The world depression fell more heavily upon Upper Canada than upon any other spot on the globe. Every bank in the colony suspended specie payments.

There was a run on every bank. In "The Constitution," William Lyon Mackenzie thundered "Rush to the banks and get your money." The banks hired dummy customers to waste time having big bills changed; tellers made "mistakes" and had to start counting all over again; only a few in the impatient queues got near the wickets; but not a bank failed.



The abrupt decline of business in the panic of 1837 and the steady recovery that followed. As no data exist that would make possible a strictly Canadian chart, figures of United States conditions as compiled by the Cleveland Trust Company, have been used in making up the chart.

The crisis came as a shock to the citizens of the Canada's. Immigrants and capital had been pouring in. There was a large expenditure on public works. But when panic spread from Lombard Street and Wall Street to the provinces activity ceased. Land values collapsed. Immigration fell to a nominal volume. There was an alarming exodus to the United States. Farms were abandoned. Real estate and chattels fell to half their value. The banks were left holding depreciated security for their loans. People exchanged bank paper only at a discount of 7 per cent. New York funds ruled at a premium of 3 per cent. Even harvests were poor while prices were low.

Doubts were freely expressed as to whether or not the colonies had any future at all.

In the midst of the crisis rebellion broke out. It was suppressed. Things improved and the banks resumed specie payment. In 1838 rebellion burst loose again and the banks again suspended.

They were dark days; days of strain and worry for business men, bankers, farmers, workers and politicians. But the colonies came through.

In the next few years came striking changes. Samuel Cunard, opened his fast mail service to Europe. Upper and Lower Canada united in 1841. Immigrants and capital began to flow. The railway builders began their work. Farm and town lands recovered in value. Political disturbances were allayed.

In many respects the crisis of '37 was the greatest in Canada's history. But Canada came through.

Individual Responsible For Heavy Tax Bills

President of C. M. A. Warns That Governments Give People Only What They Ask

That Canadians might well blame themselves rather than governments when they receive their heavy tax bills, was the message brought to Canadian business men by William H. Miner, president and managing director of the Miner Rubber Co., in his presidential address at the annual meeting of the Canadian Manufacturers' Association at Ottawa this week.

Deploring the growth of national budgets out of all proportion to ability to repay the loans or maintain annual expenditures out of tax payer contributions, he pointed out that governments were only partly responsible for this situation because even the most optimistic and generous governments have given their peoples only a part of what they have asked.

Immense Sums Diverted

In Canada, he said, we have gone very far in this respect by demanding all sorts of social and welfare legislation, commissions, public services, railroads, buildings, highways, and many other things. As a result immense sums in the form of taxes are withdrawn from ordinary commercial uses such as the payment of wages and the purchase of commodities. When we received our tax bills we have blamed the Dominion, Provincial and Municipal Governments which issued them, whereas we should have accepted a large share of the blame ourselves.

Reviewing the present world situation, Mr. Miner pointed out that though there were undoubtedly a number of causes, it was becoming apparent that they are fusing into one, namely, "a partial paralysis of the financial machinery of the world."

"The suggestion that the cause is scarcity of products is not tenable for a moment; there never was such a surplus of products of all kinds. Neither can it be said that it is due to high prices; most prices are at their low points of the present century. Nor can it be laid to inefficiency because there never was a time when the factories, the farms, the mines, and all other producing agencies were as well equipped and as capable of turning out products as they are today. It cannot be held that there is a lack of consumers, as the population of the world is greater and living standards are higher than ever before.

"We are driven back, therefore, to the view that the world has temporarily lost the art of working the delicate and nicely balanced mechanism of the international financial and credit system, upon the orderly operation of which the economic well-being of the world largely depends."

Empire Conference Reviewed

As to the Empire Conference, a word of caution was thrown out that in view of some "extravagant expressions of opinion which have appeared in print," it seems necessary to say that we should not expect miracles. He referred to the fact that many of the dominions had problems just as difficult, if not more difficult, than Canada's and that Great Britain, for example, still did 55 to 60 per cent of her trade with foreign countries. "Can she reasonably be asked to adopt measures which may sacrifice a great part of her foreign trade in order to extend special advantages to other countries of the Empire?" Mr. Miner said he believed that much progress could be made at the conference and at similar conferences in the future. He thought too much attention in regard to the conference had been concentrated on customs tariffs to the exclusion of such items as transportation, trade exhibitions, marketing plans and advertising campaigns, expert studies and exchanges of information and so forth. "The conference should prove a landmark in the history of the evolution of the Empire as all parties are approaching it in a constructive and friendly attitude and with the desire and determination to extend and improve Empire trade without giving undue advantage to, or inflicting hardship on, any part of the Empire."

Government in Business

Discussing the place of governments in business and the present day relations between employers and employed, Mr. Miner said:

"Owing to necessity, governments extended their spheres of direction and control during the war, but, unfortunately they have not divested themselves of many of these temporary powers. Too much government control and ownership in fields which can be more efficiently and economically administered by private enterprise, added to such other developments as, intense political and economic nationalism, attempts to raise living standards of great populations in very short periods of time, and kindly but impractical efforts to adopt utopian plans of social improvement and relief, have multiplied public expenditures in a remarkable and unprecedented manner during the past decade, with the result that even the smallest countries have been obtaining great loans, pledging their credits and establishing national budgets out of all proportion to their ability to repay the loans or to maintain such annual expenditures from the funds available from taxpayers. As this situation revealed itself there has been a great decline in the value of the bonds of such governments and a proportionate restriction of their credits.

"Governments are only partly responsible for this situation, because even the most optimistic and generous governments have only given their peoples part of what they asked.

"It is encouraging to observe that the dominion, provincial and municipal governments, during the past year, have been restricting their expenditures and have been endeavoring to balance their budgets, and all citizens can assist by refraining from asking for things which will add to the public debts, and by supporting reasonable proposals for further economies.

Employment Problems

"The problems of employment are testing our methods and capacities. A civilized country such as this, does not wish to have, and, in fact, will not countenance conditions which deny large numbers of its citizens even the elemental necessities. The united efforts of religious and charitable organizations, governments, taxpayers, and individuals during three successive bad years have at least held society together, and food, shelter, clothes and fuel, together with some recreation, have been provided generally for all those temporarily in need.

"These co-operative humanitarian efforts, of course, will not be approved or assisted by those who think that everything is wrong and that all effort is futile, unless in conformation with their particular political, social or economic systems, which they can produce full grown at a moment's notice, but the fact remains that the results attained in providing employment and relieving distress during the past three years, make a much better showing than those achieved by most other countries, under widely varying forms and policies of government.

"As for the advocates of revolution, bloodshed and violence, they have gained very few followers and will scarcely acquire more in Canada where the great majority are proprietors or lessees of their farms, houses, shops, and other forms of wealth, and, consequently, as capitalists, as well as for better reasons, are on the side of law and order. Moreover, the growing conviction that the various revolutionary, communistic and socialistic governments and parties appear to have made things worse instead of better in the countries where they made their strange experiments and in the world at large, leads most Canadians to conclude that our best course is to keep on our own way and instead of scrapping what we have for something new and untried, to build and improve gradually on the foundations already laid.

Lauds Government Tariff

"It is certain that, had it not been for the measures provided by the Dominion Government, in the form of increased customs tariffs and proper and accurate customs appraisals, and the strict enforcement of dumping regulations, the number of unemployed in Canada would have been much greater during the past two winters than it was. Goods from the United States, Europe and Asia would have been poured into this market in a great flood, without consideration of production costs. Surely the past three years have exploded the fallacy that low prices mean prosperity, and that reckless selling below cost will restore prosperity. When have prices been so low, when have bargain and bankrupt sales been so numerous, and when has unemployment been so great?

"Until world affairs improve, we must continue to deal with conditions of trade and unemployment as we meet them from day to day and plan in advance as far as possible; but at the first opportunity, Canada needs a healthy swing away from governmental paternalism toward the old-fashioned virtues of self-reliance and the encouragement of the individual to find a way out of his own difficulties, to pay his own way and to maintain himself.

"In the meantime, what can we do? In the first place, Canada should give all the support in her power to any international effort to restore international finance and credit. In the second place, Canada should endeavor to attain the highest possible degree of success for the British Empire Economic Conference, and, in this connection, the association has given and will continue to give the utmost assistance at its command. In the third place, all Canadians should concentrate their best thought and effort, in the task of improving conditions, providing employment and relieving distress within our own national borders; and inspired by the example of Great Britain and the memory of their own past achievements, retain the steadiness that our people have shown in previous periods of stress, grapple with the problems of each succeeding day to the best of their ability, and anticipate hopefully and courageously the resumption of our national progress and well-being."

CONTRIBUTORY PLAN PENSIONS FAVORED

C. M. A. Committee Has Little to Say on Unemployment Insurance

Confirmation of the association's previous stand in regard to Old Age Pensions was made in the report of the Industrial Relations Committee of the C. M. A. at its annual meeting this week. The committee points out that in 1926 when this legislation was first introduced in Canada, the view was taken that the sound type was the contributory "all in" system rather than the non-contributory poor system.

"In spite of representations along these lines, made at that time by the association, it was the non-contributory deserving poor type of legislation which was passed. The experience of the last six years has, in the opinion of your committee, confirmed the view, which was taken from the outset by the association, viz., that the wise course is not to single out the deserving poor but to make both poor and non-poor eligible for pension—on one condition, viz., that they contribute. The only new development during the past year has been the assumption by the Dominion of 75 per cent of the cost instead of 50 per cent as formerly.

"As regards unemployment insurance, the agitation for its adoption in Canada has somewhat subsided, no doubt because of the unhappy experience in Great Britain and other countries and the obvious impossibility of meeting the cost of such an expensive scheme, in the present state of the national finances. In the meantime the Government, having come to the end of its programme of public works economically justifiable, has extended the system of direct relife, which has the advantage of being the least expensive method of meeting the situation."

C. M. A. UNDECIDED ABOUT SUBSIDIES FOR STEAMSHIPS

Has Favored Subsidies in Past But Committee Now Debates

No definite stand on the matter of federally-subsidized steamship services has been taken as yet by the Canadian Manufacturer's Association, according to the report of the Transportation Committee submitted at the annual meeting at Ottawa. This committee reports it has been considering this matter in view of the importance of trade routes now being served by the C. G. M. M., which a government committee recently recommended be abandoned, but no action has as yet been taken.

Urging, however, that the government take some definite stand in this matter the committee says:

"Adequate steamship services direct from Canada to various parts of the world is a desirable condition. The association has already expressed itself on several occasions in favor of the granting of subsidies for encouragement of direct steamship services from Canada where necessary. The importance of direct steamship services between Canada and various parts of the Empire cannot be minimized in view of the possibilities of trade development which may arise in the near future. Some definite government policy with respect to this important question would seem to be desirable."

In regard to the government regulation of motor transportation the committee reviews steps taken by two provinces towards this end and concludes: "The failure to adopt some form of controlled rates and classification is creating a situation which while temporarily may give some benefit cannot but create a disastrous condition for the not distant future."

Manufacturers Membership Now 3,708

Membership of the Canadian Manufacturers' Association at the end of its fiscal year, April 30, 1932, totalled 3,708, or a net loss for the year of 77, according to the report of the membership committee, of which E. Howard Smith, Jr., was chairman. Some 301 new members joined the association during the year and 378 memberships were cancelled.

Analysis of cancellations showed 94 due to amalgamations of firms or dropping of additional memberships; 101 due to liquidation or firms going out of business or otherwise becoming ineligible; 110 to financial conditions and 73 for non-payment of fees. The only area to show a net gain in membership was Ontario, which gained 38. Quebec lost 50, the Maritimes 1, Prairie Provinces 42 and British Columbia 22.

It is estimated that members of the association represent approximately 80 per cent of the production of manufacturing firms in Canada eligible for membership. Membership by provinces is as follows:

	Totals by Provinces
Ontario	1,871
Quebec	746
Manitoba	260
Saskatchewan	107
Alberta	191
British Columbia	378
Nova Scotia	84
New Brunswick	64
Prince Edward Island	7
Totals	3,708

I. P. OF NFLD. SALES OF 1931 RECORD GAIN

Surplus After All Charges Somewhat Lower Last Year

From Our Own Correspondent

MONTREAL.—International Power and Paper Co. of Newfoundland, recently acquired by Canadian International Paper Co., reports gross sales in 1931 of $9,493,191 as against $8,822,955 in 1930. Cost of sales and expenses were higher, with the result that net revenue amounted to $2,923,252, compared with $3,073,596 in the previous year.

Net earnings added to the company's surplus in 1931 amounted to $634,630 which includes $69,734 net profit on foreign exchange transactions. This compares with $764,641 in 1930. At the end of last year inventories of finished paper were written down from $30 to $25 a ton at the mill. As the company normally carries substantial inventories in order to meet customers' requirements during the close of navigation season, this write-down reduced both net earnings and current assets by nearly $500,000. Comparative accounts for 1930 and 1931 follow:

	1931 $	1930 $
Gross sales	9,493,191	8,822,995
Less: Expenses	6,639,672	5,749,399
Add: Exchange	69,734	......
Net revenue	2,923,253	3,073,596
Less:		
Bond interest	243,300	243,300
Debent. int.	1,415,331	1,324,451
Dep. & deplet.	626,342	737,554
Bond disc.	3,649	3,650
Balance	634,630	764,641
Brt. forward	2,517,786	1,753,145
Car. forward	3,152,416	2,517,786

Changes in Balance Sheet

Consolidated balance sheet of the company as at December 31 last, shows a few changes. Total asset values are shown at $49,609,284, down from $50,837,213 a year ago. Fixed assets are shown on the books, less reserves for depreciation, at $41,275,381, an increase of $285,450 during the year.

Current assets declined from $9,220,697 to $7,631,309, change being due to decrease of nearly $600,000 on accounts receivable and write-down of inventory values.

Deferred assets and expenses show little or no change.

Among liabilities funded debt of the company has been reduced from $24,366,846 to $24,233,755.

Current liabilities show a sharp increase from $1,071,902 to $4,698,220. This is due to the inclusion of a new item—bank loans, amounting to $3,800,000.

During the year, indebtedness of the company to International Paper was reduced from $7,747,999 to $1,769,115. This was partly offset by an increase in current liabilities as the company borrowed $3,800,000, giving the customary Newfoundland Bank Act security on its current assets.

The remainder of items among liabilities show relatively few and unimportant changes.

President Reviews Outlook

In discussing the outlook for the company, Archibald R. Graustein, president, had the following to say:

"Effective January 1, 1932, there was a decline in the price of newsprint which in the more important metropolitan areas in the United States amounted to $4 a ton from the figure prevailing during 1931, and, in accordance with arrangements made in 1927 with the Government of Newfoundland, annual tax payments have been increased by $75,000. Beginning on January 1, 1933, dividends totalling about $500,000 annually (at par of exchange) became cumulative on the 5 per cent preferred stock, and must be paid before any dividends may be declared on the common stock.

"The outlook of the company is, nevertheless, not unfavorable, as a fair volume of business is available and definite plans have been made for offsetting the anticipated reduction in gross revenues as far as possible through increased efficiency in operations at the mill and in the work.

"Operating efficiency of the Corner Brook mill was still further increased so that average daily output from the four large machines in 1931 was 525 tons compared with 515 tons in 1930 and 483 tons in 1929. The total output of the mill, including the small machine which is now used almost exclusively for newsprint, averaged 567 tons a day as against 540 tons in 1930. In spite of a further heavy decline in newsprint consumption, operations were carried on substantially at full capacity throughout 1931. Production of newsprint for the year amounted to 175,269 tons for 1931 as compared with 168,051 tons in 1930 and 151,563 tons in 1929.

"Output of the company's Deer Lake hydro-electric station amounted to 803,368,000 kw.h. during 1931, as compared with 682,219,000 kw.h. in 1930 and 536,526,000 kw.h. in 1929. The large increase in output, which practically eliminated the use of coal at the mill for any purpose during 1931, was due primarily to the 58,000 h.p. extension which was put in operation about the middle of 1930. At present rate of paper production the power plant should be able to supply over 95 per cent of the mills' entire requirements for both power and steam."

Toronto Sets Pace Use of Electricity

From Our Own Correspondent

MONTREAL.—Growth of the lighting load, both commercial and domestic, has grown very rapidly in Canada, says the Bureau of Statistics. Examples of this growth are the consumptions in Toronto, where domestic lighting consumption increased by 94 per cent between 1925 and 1930 and commercial lighting increased by 72 per cent.

The gains are attributed to better lighting, more advertising by electric signs and, in the home, to a greater use of electrical appliances such as electric stoves, refrigerators, washing machines, irons, radios, etc. The number of domestic light customers in Toronto increased only by 27 per cent during these five years, but the average consumption per customer more than doubled.

Vancouver Building Permits Only Quarter of 1931 Total

Vancouver building permits for May amounted to $203,465 as compared with $826,910 in May, 1931, the number of permits issued dropping from 473 to 258. Of the May, 1932, total, 43 permits were issued for the erection of new dwelling houses valued at $102,200 and 2 for a gas plant valued at $34,000. The balance was mainly for repairs and alterations.

For five months ended May 31, 1932, 1,268 permits have been issued having a total value of $1,135,155 as compared with 2,228 permits worth $6,978,565 issued in the same period of 1931.

CAN. CONVERTERS REPORTS FURTHER LOSS FOR PERIOD

Fails to Cover Needs for Dividends in Past Year

From Our Own Correspondent

MONTREAL.—Earnings of Canadian Converters Co. in the fiscal year ended April, 1932, again fell short of dividend disbursements on the capital stock. Profits, including other income, amounted to $29,658, compared with $56,291 in the previous year. After provision for depreciation on the scale as in the preceding period, net profit was $18,158 or the equivalent of $1.04 a share on the common stock. This compared with $44,791 or $2.58 in the previous year.

During the period dividends totalling $52,004 were paid resulting in a deficit for the year of $33,846. The deficit in the preceding year was $41,884. A balance of $563,432 was brought forward into the current year.

The balance sheet shows a slight reduction in working capital due to a decline in cash and accounts receivable. Auditors point out, in a statement attached to the report, that no recent physical appraisal of the entire property account has been made which would indicate to what extent goodwill is included in that account, and the balance sheet, therefore, shows the assets included in the same manner as they have appeared in all previous statements.

Profit and Loss Figures

The following is a comparison of profit and loss for the past two years.

	1931-32 $	1930-31 $	1929-30 $
Profits	29,658	56,291	104,788
Dep., etc.	11,500	11,500	17,500
Net profit	18,158	44,791	87,288
Divds.	52,004	86,675	121,345
Surplus	*33,846	*41,884	*34,057
Prev. surp.	597,278	639,162	673,219
P. and L.	563,432	597,278	639,162

*Debit.

Working capital:

	1932 $	1931 $
Curr. assets	618,272	764,112
Curr. liabs.	66,527	61,385
Work. capital	551,745	702,727

Investments Show Gain

In assets, real estate, plant, machinery, and goodwill, etc., is carried at $1,975,371, an increase of $9,000. Investments in Dominion of Canada bonds, book value, are up $37,000 at $112,318. It is pointed out that market value at the end of the year was $104,760. Cash is down $50,000 at $12,806; inventories and accounts receivable show little change.

In liabilities accounts payable are up $17,000 at $44,463, and reflecting the contraction in the dividend rate, dividends payable total $8,739, compared with $21,668. Depreciation reserve has been slightly increased to $358,020.

In his remarks to shareholders, J. Harvey Roy said in part:

"The company has felt the effects of the continued depression throughout the year and due to a falling market and keen competition the profits of the company have been considerably reduced, as will be seen by the statement.

"Provision has been made for bad debts and income tax and a small amount added to reserve for depreciation, which now amounts to $352,020

EASTERN DAIRIES, LIMITED

AND SUBSIDIARIES

ELMHURST DAIRY, LIMITED
Montreal

THE PRODUCERS DAIRY, LIMITED
Ottawa

ACME FARMERS DAIRY, LIMITED
Toronto - Hamilton

CRESCENT CREAMERY CO., LIMITED
Winnipeg

BOARD OF DIRECTORS

W. R. Aird, President and Managing Director
P. A. Thomson, Vice-President
A. J. Nesbitt
C. B. Price
H. R. Trenholme
E. W. King, Secretary-Treasurer

CONSOLIDATED BALANCE SHEET
At March 31st, 1932

ASSETS

Current:			
Cash on Hand and in Banks	$ 77,195.84		
Accounts Receivable, less Reserve for Bad Debts	328,421.47		
Deferred Accounts Receivable	62,877.19		
Inventories of Products and Supplies	142,138.78		
Investment Securities at Cost	$577,354.76		
The aggregate value of these securities based upon available market quotations, or in the absence thereof upon estimated Fair Values, was approximately $170,192.76 less than the above Book Value at 31st March, 1932.			
Balances of Agreements of Sale	36,088.50		
	613,443.26		
Accrued Interest thereon	8,524.50		
		621,967.76	
Due on Employees' Stock Subscription (receivable during 1932)		45,233.61	
Investments held in Trust		17,200.00	
Cash Surrender Value — Life Insurance		8,935.17	
			$1,303,969.82
Fixed:			
Land, Buildings, Plant, Machinery, Equipment, Furniture and Fixtures (at replacement values new, as established by the Canadian Appraisal Company Limited, with subsequent additions at cost)			7,335,326.34
Prepaid and Deferred Expenses			67,032.75
Bond Discount and Organization Expenses			180,020.81
Goodwill (being excess of Purchase Price of Affiliated Companies over total Book Value of Capital Stocks, and Surpluses thereof at date of acquisition)			2,222,789.87
			$11,109,139.59

LIABILITIES

Current:			
Bank Loans	$ 91,200.00		
Accounts Payable and Accrued Liabilities	331,224.73		
Mortgage Payable	2,500.00		
Unredeemed Tickets	22,506.65		
Salesmen's Deposits	56,268.53		
Dividends Payable	83,524.75		
Accrued Bond Interest	75,000.00		
			$ 662,224.66
Deferred Revenue			11,725.99
Reserve for Depreciation			1,489,951.85
Capital of Affiliated Companies in hands of the Public:			
Crescent Creamery Company Limited—7% Cumulative Preferred Stock (Callable at 105% upon 30 day's notice)			
Authorized, 14,500 shares of $100.00 each.			
Issued and Outstanding, 10,000 shares	1,000,000.00		
Acme Farmers Dairy Limited—7% Cumulative Preferred Stock. Authorized, 7,500 shares of $100.00 each			
Issued and Outstanding, 7,000 shares	700,000.00		
			1,700,000.00
Six Per Cent. Twenty Year First Collateral Trust Convertible* Bonds Series "A", due 1st May, 1949			3,000,000.00
Capital:			
7% Cumulative Preferred Stock (Callable at 105% upon 30 days' notice) Authorized, 50,000 shares of $100.00 each. Issued and Outstanding, 25,000 shares			2,500,000.00
Common Stock: Authorized, 200,000 shares of No Par Value			
Issued and Outstanding, 89,099 shares	1,380,515.00		
Subscribed and Allotted, 4,852 shares	97,040.00		
			$1,477,555.00
Surplus—Subject to Federal and Provincial Taxes			267,682.09
			$11,109,139.59

Approved on behalf of the Board:
W. R. AIRD (Director)
H. R. TRENHOLME (Director)

* 48,000 Common Shares of No Par Value reserved for Conversion purposes.

AUDITORS' CERTIFICATE

We have compared the above Consolidated Balance Sheet at 31st March, 1932, with the books and records of Eastern Dairies, Limited, and its Subsidiaries, with the exception of The Producers Dairy, Limited, for which we have received certified statements.

We certify that, in our opinion, the attached Consolidated Balance Sheet has been drawn up so as to set forth a true and correct view of the financial position of Eastern Dairies, Limited, and its Subsidiaries at 31st March, 1932, according to the best of our information, the explanations given to us and as shown by the books of the Companies examined by us and the certified statements given to us.

P. S. ROSS & SONS, Chartered Accountants.

DIVIDEND NOTICES

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given, that a Dividend of Three per cent., being at the rate of Twelve per cent. per annum, upon the paid up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st July, 1932, to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.

WALTER GILLESPIE,
Manager.

Tip Top Tailors Limited

NOTICE IS HEREBY GIVEN that a dividend of 1¾% on the 7% cumulative sinking fund redeemable convertible preferred shares of the Company for the quarter ending June 30, 1932, has been declared payable on and after July 1, 1932, to holders of preferred shares of record at the close of business, June 15, 1932. The transfer books will not be closed.

Dated at Toronto the 3rd day of June, 1932.

H. P. MACKECHNIE,
Treasurer.

DIVIDEND No. 19

HIRAM WALKER-GOODERHAM & WORTS LIMITED

Controlling and Operating
Hiram Walker & Sons, Limited
Gooderham & Worts, Limited
Distillers & Bottlers in Bond

NOTICE is hereby given that quarterly dividend (No. 19) of twenty-five (25c) cents a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Capital Stock of this Company.

This dividend is payable June 15, 1932, to shareholders of record at close of business May 27.

By order of the Board,

FLETCHER RUARK,
Secretary and Treasurer

Walkerville, Can., May 23, 1932.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1932, being at the rate of twelve per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 2nd day of July, 1932, to shareholders of record of the 20th June, 1932.

By order of the Board.

C. A. BOGERT,
General Manager.

26th May, 1932.

STANDARD STEEL CONSTRUCTION COMPANY LIMITED

Notice is hereby given that a quarterly dividend of 75 cents per share has been declared on the Class "A" Cumulative Redeemable Preference Shares of Standard Steel Construction Company, Limited, payable on the 5th day of July, 1932, to shareholders of record on the 15th day of June, 1932.

By order of the Board.

J. J. BREEN,
Secretary.

DOMINION GLASS COMPANY LIMITED

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of June, 1932.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of June, 1932.

The above Dividends are payable on Saturday, the 2nd day of July, 1932 to Shareholders of record at the close of business Wednesday, the 15th day of June, 1932.

By Order of the Board.

MERVYN OFFER,
Secretary.

Montreal, 25th May, 1932.

Associated Breweries of Canada Ltd.

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that quarterly dividend (No. 15) of 1¾% upon the outstanding preference shares of the Company has been declared, the said dividend to be payable on or after the first day of July, A.D. 1932, to shareholders of record at the close of business on the 15th day of June, A.D. 1932.

NOTICE IS ALSO GIVEN that quarterly dividend (No. 15) of Fifteen (15c) cents on the no par value common shares of the Company issued and outstanding has been declared in favour of shareholders of record at the close of business on the 15th day of June, A.D 1932, payable on and after the 30th day of June, A.D. 1932.

By order of the Board.

J. G. WALFORD,
Secretary-Treasurer.

Calgary, Alberta, May 31st, 1932.

Canadian Wirebound Boxes Limited

DIVIDEND NOTICE

The Directors of this Company have declared a dividend of 25c per share on the Class "A" Shares of the Company, payable July 1st, 1932, to shareholders of record June 15th, 1932, for the quarter ending June 30th, 1932.

By Order of The Board.

H. M. Millar,
Assistant Secretary.

Toronto, May 31st, 1932.

Eastern Steel Products Limited

DIVIDEND NOTICE

The Directors of this Company have declared a dividend of 50c per share on the common shares of the Company payable July 1st, 1932, to shareholders of record June 15th, 1932.

By Order of The Board.

H. M. Millar,
Assistant Secretary.

Toronto, May 31st, 1932.

Eastern Steel Products Limited

DIVIDEND NOTICE

The Directors of this Company have declared the regular quarterly dividend of $1.75 per share on the Preference Shares of the Company, payable July 1st, 1932, to shareholders of record June 15th, 1932, for the quarter ending June 30th, 1932.

By Order of The Board.

H. M. Millar,
Assistant Secretary.

Toronto, May 31st, 1932.

NOTICES

NOTICE

TO HOLDERS:

CANADIAN LOCOMOTIVE COMPANY, LIMITED, FIRST MORTGAGE 6% FORTY YEAR SINKING FUND GOLD BONDS DUE THE 1st JULY, 1951.

Owing to the large falling off in the business of the Company during the past year and a half, Canadian Locomotive Company, Limited, is obliged to make default in payment of the interest coupon falling due on the 1st of July next on its 6% First Mortgage 40-year Sinking Fund Gold Bonds. A further communication to the Bondholders with regard to the position of the Company will be made shortly.

G. W. Daly,
Secretary.

Kingston, Ont.
June 2nd, 1932.

DIVIDEND NOTICES

Ottawa Light Heat and Power Company, Limited

DIVIDENDS

Notice is hereby given that the usual dividends have been declared for quarter ending 30th June, 1932, payable to Shareholders of record 15th June, as follows:—

Preferred Stock: 1⅝%, (being at the rate of 6½% per annum), payable 1st July, 1932.

Common Stock: 1½%, (being at the rate of 6% per annum), payable 30th June, 1932.

The transfer books will not be closed.

By Order.

F. W. FEE,
Sec'y-Treas.

OTTAWA, 6th June, 1932.

Noranda Mines, Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of 50c per share, payable in New York funds, has been declared by the Directors of Noranda Mines, Limited, payable June 30th, 1932, to shareholders of record at the close of business June 15th, 1932.

By order of the Board.

T. N. HAY,
Secretary-Treasurer.

Toronto, May 31st, 1932.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

Canada Northern Power Corporation, Limited

Common Dividend No. 13

NOTICE is hereby given that a Dividend of 20c. per share (being at the rate of 80c. per annum) has been declared on the no par value Common Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending June 30th, 1932, payable July 25th, 1932, to shareholders of record at the close of business on June 30th, 1932.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, May 31st, 1932

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three-Quarter per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY Limited has been declared for the quarter ending June 30th, 1932, payable July 15th, 1932, to shareholders of record June 30th, 1932.

By order of the Board.

JAS. A. FISH,
Assistant Secretary-Treasurer

Montreal, May 31st, 1932.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Preferred Dividend No. 18

NOTICE IS HEREBY GIVEN that a Dividend of $1.50 per share, being at the rate of 6 per cent. per annum, has been declared on the 6 Per Cent. Cumulative Preferred Stock of McColl-Frontenac Oil Company, Limited, for the Quarter ending June 30, 1932, payable July 15th, 1932, to Shareholders of record at the close of business on June 30, 1932.

By Order of the Board,

FRED HUNT,
Secretary.

May 26, 1932.

PETROL OIL & GAS CO. LIMITED

DIVIDEND NOTICE

An interim dividend of 1c per share has been declared upon the shares of the Company, payable June 20th, 1932, to shareholders of record June 15th, 1932.

By order of the Board.

H. G. DEACON,
Secretary.

Toronto, June 6th, 1932.

Shareholders are requested to have their shares transferred into their own names. This can be done by presenting or mailing share certificates to the Transfer Agents, Union Trust Co., Ltd., 105 Victoria St., Toronto, Ont.

SUPERTEST Petroleum Corporation Limited

NOTICE OF DIVIDENDS

"A" Preferred

A quarterly dividend at the rate of 7% per annum on the Class "A" Preferred Stock of this Corporation for the quarter ending June 30th, 1932, has been declared; payable July 2nd, 1932, to Shareholders on record at the close of business on June 17th, 1932.

"B" Preferred

A quarterly dividend at the rate of 6% per annum on the Class "B" Preferred Stock of this Corporation for the quarter ending June 30th, 1932, has been declared, payable July 2nd, 1932, to shareholders on record at the close of business on June 17th, 1932.

Common and Ordinary Shares

The Board of Directors has declared a quarterly dividend of .25c per share on the Common and Ordinary Stock of this Corporation for the quarter ending June 30th, 1932; payable July 2nd, 1932, to shareholders on record at the close of business on June 17th, 1932.

Share Warrants

Share Warrant holders will present coupons, serial number 20, to The Canadian Bank of Commerce, London, Ontario, and Branches in Ontario and Quebec, on and after July 2nd, 1932, where payment will be made at par.

By Order of the Board,

JAMES D. GOOD
Secretary-Treasurer.

London, Ontario, June 6th, 1932.

The Sherwin-Williams Company, of Canada, Ltd.

Notice is hereby given that the eighty-fourth quarterly dividend of one and three quarters per cent (1¾%) being at the rate of seven per cent (7%) per annum for quarter ending May 31st, 1932, on the Preferred stock of the Company has been declared payable to shareholders of record the 15th day of June, 1932, and cheques will be mailed June 30, 1932.

Books not closed.

By order of the Board.

P. W. Hollingworth,
Secretary-Treasurer.

Montreal, Que., June 7th, 1932.

LIQUIDATION FARM WHEAT CUTS PRICES

Excellent Crop Prospects Cause Farmers to Sell Holdings

MANY RUMORS

Wheat Pool Liquidation Denied — Churchill Route Now an Unsettling Factor

From Our Own Correspondent

WINNIPEG.—Two explanations, neither of which can be considered as sound, were put forward in trade circles as accounting for the precipitate decline in wheat values on the Winnipeg market which set in last Saturday.

The first to get in circulation was a rumor of extensive selling of wheat futures, supposed to have taken place a few days previously on behalf of the wheat pool, which on becoming known occasioned nervousness on the part of other holders of futures. It is a matter of common belief, if not of common knowledge, that those in charge of the liquidation of pool wheat are fairly extensive holders of futures, and in the normal course of events such commitments are likely to be disposed of, presumably in proportion to actual exports of Canadian wheat.

Denial by McFarland

Nothing has occurred to give rise to the belief that any exceptionally heavy selling has taken place from that quarter, but the idea was seized upon as offering an explanation of the drop. So insistent did the rumors become, with exaggeration as they spread in Chicago, New York and Liverpool, that John I. McFarland found it desirable to issue a statement denying that such sales had taken place or were in contemplation, and also denying that he was resigning his position as general manager of the pool.

Another explanation offered was that heavy deliveries of wheat by farmers were being made in order to secure the payment of the five-cent bonus which was to be discontinued on June 15 and that hedging pressure on that account was weakening the market. This idea was considered important enough for the dominion government to pass an order-in-council extending the bonus period to the end of the month in order to decrease the pressure. It is true that deliveries have been somewhat heavier than normal for this time of the year, but the total quantity is inconsiderable in comparison to what the market is accustomed to absorb at other seasons.

General Liquidation

Much more significant was the fact that a fairly large number of people, both farmers in possession of wheat on farms and holders of options who had been holding for a considerable time in the hope of higher prices became convinced that such hopes were not likely to be fulfilled in the immediate future, and decided to get out. Largely this was due to the suddenly improved prospects for the western crop, when large areas particularly in Saskatchewan, appeared to be in doubtful position received bountiful rains. It was also due to disappointment felt at the failure of larger export business to materialize for continental Europe.

It begins to appear that the gap before new crop wheat is available there, is likely to be bridged with smaller takings from abroad that had been expected, and that the Canadian carryover, in consequence will not be reduced to the extent that had been hoped. The market, which is in a state of transition, both in Canada and in the United States, from the domination of large holdings, to a more normal condition, is still rather narrow, as both traders and buyers abroad hesitate to make commitments in the face of the known extent of such holdings, had no great capacity to absorb such selling.

The break in prices, due mainly to Canadian conditions, was much more pronounced in Winnipeg than in Chicago, and the narrowing in spread diverted some buying from United States to Canadian wheat, so that the large orders for shipment in the comparatively near future were booked. Their full extent will be uncertain until they materialize as shipments.

Churchill Unsettling Factor

There is a disposition to regard the accumulation of 2,000,000 bushels of wheat at Churchill as an unsettling factor, the basis on which that wheat has been sold to the exporters who are to move it, or which they are offering it abroad for shipment in cargo quantities, is unknown, while the trade can usually calculate fairly closely the basis on which wheat is being moved on standard routes. Lake and ocean freights for other routes are now so low that there seems no chance of reduction there, so, if the competition of the new route is effecting any change, the only place where it could be reflected would be in lower prices at the head of the lakes. The total quantity which can be shipped from Churchill this year is not so large that any great effect could be anticipated, one way or another, on prices. At all events, whatever the experimental shipments over the route will demonstrate as to its practicability, they are evidently not as yet improving conditions for farmers.

The whole western crop outlook is now, in view of recent rains, considered excellent, and the rains have done much to check the much feared damage from grasshoppers and cutworms.

Craig, Luther Custodian Issues Report on Firm

From Our Own Correspondent

MONTREAL.—Coincident with the announcement of Craig Luther and Co., members of the Montreal Stock Exchange and Montreal Curb Market, Robert Wilson, of Robert Wilson and Co., chartered accountants, issued the following statement:

"Mr. Luther's sudden and untimely death, which automatically dissolved the partnership, together with heavy losses from bad debts due to clients' inability to meet margin calls, and other difficulties besetting the stock brokerage business under existing trying conditions made it impossible for the remaining partners to continue the business.

"The heavy fall in prices of securities has so depleted margins that the liability to the public will not be serious, probably not in excess of $65,000 distributed among about 250 to 300 clients.

"Loans from banks and U. S. and Canadian lenders, fifteen in number, amount to about $785,000, of which the greater part is fully secured. It is too early as yet to venture an opinion as to what the estate will pay to the creditors."

Much Legitimate Activity In Trademark Field

Despite Legal "Racket" Some Firms Can Profitably Register Under Provisions of Old Statute

Further information has been given The Financial Post this week regarding the new trademark act introduced at Ottawa in the recent session of parliament and concerning which a legal "racket" has arisen by certain firms taking advantage of the new act to secure unwarranted retainers from merchants and manufacturers.

Although there has been considerable abuse of the new legislation by certain firms, it is pointed out that certain changes which will go into effect with the new act have made it expedient for manufacturers to seek legal advice and to have certain trademarks registered under the old act, and that such work which has been solicited by patent lawyers performs a definite service which should not be considered by any means as a "racket."

Affects Right to Register

The most important of these changes concerning which certain manufacturers have been approached by lawyers in a perfectly legitimate manner, concerns the right to register surnames, geographic names and ordinarily descriptive names now used by merchants and manufacturers to merchandise their products.

Under the old trademark act any firm which had used a surname such as "McClary," "Silverwood," "Ford," or "Yardley" could register it by going through a certain form and submitting evidence as to its use from parties in three different provinces. The same ruling applied to geographic names such as "Brantford" roofing, "Ingersoll" cream cheese, and so forth and also to ordinarily descriptive names such as "Metallic" roofing, "City" Dairy and so forth.

Under the new act, however, the right to register such names has been withdrawn and no such names can be registered unless the firm using the name has successfuly sued someone for infringement of the use of the name. In this case the mark can be registered, following the law suit, but otherwise no trademarks in the above three categories will be henceforth registerable under the new act. Undoubtedly there has been considerable misuse of the old legislation which is probably responsible for the change, but in order to register such names, many firms are now taking advantage of the old act being still in force.

Extra Ten Years of Life

Other reasons why some firms have been taking advantage of the less strict provisions of the old act is the fact that by registering now a firm's trademarks are given an extra ten years of life, for in the new act the life of trademarks registered at the time it goes into force will be 25 years, whereas firms registering subsequent to the putting into force of the new act can only register for a 15 years period. This situation was outlined in more detail in The Financial Post of June 4.

Another reason why there has been legitimate legal activity in regard to the new act is that under the new act firms will be required to register design and "word" marks, separately whereas now this can be achieved under one registration. The new act will clear up a very bothersome question as to the use of "words" in a design, and is considered a valuable addition to trademark legislation in Canada, but in the meantime many firms are taking advantage of the fact that they can now achieve at a single application what will later require two applications and will therefore be doubly expensive.

IMPERIAL OIL MEETS JUNE 10, EARNINGS DOWN

(Continued from page 9)

Barranca-Bermeja to take care of production of its subsidiary in Columbia and there is already a refinery at Talara in Peru.

In both Peru and Colombia exploration and development of vast tracts of territory has been a very economical way of development as compared with the haphazard, gridiron, criss-cross wasteful methods permitted on this Continent. By the very method of exploitation in the United States and Canada it has been made difficult—almost impossible—to conserve assets which will be of growing importance in the future even though for the next decade there is enough proven oil territory to give the world all it can consume and at a much higher rate than at present.

In Peru and Colombia, however, orderly and scientific development, without the necessity of putting down costly off-setting wells to protect underground supplies, has given International Petroleum great success in the past and the future would occasion no alarm on the long view if the countries concerned follow sane, sound policies. The chief reason for investors' disquiet from this distance would appear to be the political instability of recent years in Peru, the almost reckless fervor for taxing the foreigner as highly as possible and the large number of radical agitators who flourish always in times of discontent and unemployment. The present attempt to establish a socialist republic in Chile and take over all industry adds to anxiety of shareholders as to Peru.

Dickering With Russia

The international oil conference just concluded in New York City with the object of finding a stable basis for the world's oil industry apparently did not reach an agreement. Russia, which was represented, was offered a quota in world markets by the world's major oil producers which would take the oil from Russia and market it for her. Russian representatives did not consent to the quota others thought fair for her but leading operators express optimism that the meeting has led to a better understanding even though no agreement was reached. This will not affect International Petroleum to any great degree as Russian oil was shipped to the Far East and to Great Britain. A certain quota is already allowed in Great Britain, but Royal Dutch Shell, Anglo-Persian and Burmah Oil Co. are inclined to fight any excessive export to India. Standard Oil of New York at one time had a terrific price war with Dutch shell because it was marketing Russian oil in the East.

All these considerations enter into the results to be attained by Imperial Oil in 1932 and 1933. It is now a world company as well as a Canadian company and most of the dividends it pays come from world operations outside of Canada. No Canadian shareholder can therefore in future fail to be interested in the world petroleum situation as well as in domestic results.

Crop Prospects

WIDESPREAD RAIN BENEFITS CROPS

Dominion Bureau Crop Report Optimistic Regarding Prairie Outlook

General crop conditions show a further improvement, states the June 7 telegraphic crop report of the Dominion Bureau of Statistics. Damage from grasshoppers in Manitoba and from cutworms and wireworms in Saskatchewan and some districts of Alberta is still of serious concern. Plant damage from disease, however, is reported very slight this year.

Precipitation, ranging from light showers to very heavy rains, was general throughout the west during the past week, the eastern and central drought areas of Saskatchewan benefitting greatly. Temperatures varied from light frost to extreme heat but no high winds were reported.

Manitoba wheat averages 6 inches in height and was greatly improved by rains of the past week. The grasshopper situation is serious and only aggressive control has kept the insects from doing considerable damage. Cutworms are doing most damage to garden crops.

Growth in Saskatchewan has been even but slow. Some fields damaged by high winds will have to be resown. General rain will be required at intervals as there is no reserve moisture.

With the exception of cutworm damage in southern and central regions, conditions in Alberta are excellent. A continuance of warm weather is needed.

CROP CONDITIONS GENERALLY GOOD

Free Press Summary Reports Improved Moisture Conditions Over 1931

Greatly improved moisture conditions over 1931 is the feature of the Winnipeg Free Press second general crop report, dated June 4. Saskatchewan, especially in the southern, central and eastern sections, requires further general rain to reduce the soil drifting menace. A serious grasshopper situation is reported in Manitoba but energetic steps have been taken to control this. Cutworms are reported from every district but are most active in the south and centre.

Reports from 91 points in Manitoba show that 65 needed rain. Wheat averages between four and six inches. The southwestern section reports a bad grasshopper outbreak. Cutworm damage is light but is widespread over the province.

Southern and central Saskatchewan report considerable damage from soil drifting, 106 places out of 182 reporting in the province suffering losses. Rain is required to stop the drifting. Wheat is reported from 2 to 6 inches in height Cutworms are reported from 112 places but damage is light.

Alberta reports general conditions excellent in all respects, little soil drifting, grasshopper or cutworm trouble. Only 2 per cent of points reporting had need of rain. Wheat is from three to five inches in height, the five inch wheat being mainly in the northern section. Some coarse grain seeding still to be done owing to rain. Province requires warm sunny weather as crop is a little late.

Growing Conditions Ideal in West, C. N. R. Reports

Crop prospects throughout the west show a very decided improvement over 1931, according to the weekly crop report of the agricultural department of the Canadian National Railways. Practically all seeding is completed and growth is rapid in most sections. An active campaign against grasshoppers in several districts of Manitoba and Saskatchewan is bearing fruit and has reduced the possibility of losses from this cause, while no extensive damage is reported from cutworms or soil drifting.

Rain in Manitoba, followed by warm and clear weather, has helped growth considerably, the hay crop particularly benefitting.

Southern Saskatchewan farmers have still to do some seeding of coarse grains and are waiting for more rain. Wheat growth is rapid with only slight damage from cutworms reported.

In the Prince Albert division of Saskatchewan rains over the entire area have proved beneficial to growing crops. Wheat is well above ground and strongly rooted and prospects are generally good.

Alberta has benefitted by recent heavy rains. Seeding is completed with the exception of green feed in some parts of central and northern Alberta and growth conditions are considered ideal.

Implements Below Cost to Cultivate Goodwill

Sears, Roebuck farm implement plant is reported to have 24 hours daily operation.

This activity is in sharp contrast to the general inactivity in the industry and is the result of the very low prices charged by the company and the easy payment terms.

It is reported that some of Sears' quotations on implements barely cover the labor and material. The company expects to offset the dollar losses by the goodwill gain.

C. I. L. PROPOSE BUILD FACTORY MAKE CHEMICAL

Consider Large Scale Output of Liquid Sulphur Dioxide

From Our Own Correspondent

MONTREAL.—Erection of a plant for the manufacture of liquid sulphur dioxide on a large scale is now under consideration by Canadian Industries, Ltd., whose chemists have been successful in the recovery of sulphur dioxide from grass of low concentration.

In order to study the recovery of sulphur dioxide, Canadian Industries erected an experimental plant at Hamilton where they duplicated conditions found at plants producing sulphur dioxide gases of low concentration as a waste product. Sulphur was burned and the fumes diluted to varying percentages of concentration, to simulate the waste gases of industry.

Develop New Method

This experimental plant was the development of a new method whereby sulphur dioxide may be separated from the waste gases and liquified.

The experimental plant at Hamilton has proved so successful, that it is now supplying a portion of Canada's requirements for liquid sulphur dioxide. The product is shipped in steel containers and is ready for use by merely turning a valve. The process can be adapted to a much larger output, and as many times the total annual consumption of sulphur in Canada goes to waste each year in the form of gases of low concentration, the development promises to be of substantial value.

Montreal Cattle Shipments Active

Cattle shipments from the Port of Montreal to the British markets continue active and on a larger scale than last year in the early weeks of navigation.

ALWAYS FIRST
in Standards . . . Service . . . Performance

SINCE it was first introduced, the Barrett Specification Roof has been the recognized standard for flat-roof construction. The first bonded roof, it continues today to be the world's outstanding roof value.

The consistent leadership of Barrett and the Barrett Specification Roof — in standards, service and performance — is the foundation for an unmatched reputation that appeals strongly to building owners, architects and contractors. It is definite assurance to them that when they buy a Barrett Specification Roof, they are buying the best pitch and felt it is possible to make, expert application by a Barrett Approved Roofer, and rigid inspection by trained Barrett Roof Inspectors.

For buildings that do not warrant the super-protection which Barrett Specification Roofs alone provide, Barrett Black Diamond Roofs will give exceptional service at moderate cost. They are second only to Barrett Specification in quality.

Barrett
COMPLETE ROOF SERVICE

The Barrett Company, Ltd., offers a complete roof service which includes the famous Barrett Specification Roof (Bonded for 20 and 15 years); Barrett Black Diamond Roofs; Barrett S.I.S. Roofings; Barrett Bonded Flashing Blocks and Forms; and Holt Roof Leader Vent Connections. For advice on any roofing or waterproofing problem, consult with us or the Barrett Approved Roofer nearest you.

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THE GREATEST NAME IN ROOFING

NOTICES

COUNTY OF DUFFERIN

DEBENTURES FOR SALE

Sealed tenders marked (Tenders for Debentures) and addressed to Treasurer of the County of Dufferin, Box 210, Orangeville, Ontario, will be received up to 12 o'clock noon, Monday, June 20th, 1932, for the purchase of $65,000.00. 6% Interest. Coupons attached. Bonds maturing 1932-1952. Interest payable yearly. The highest or any tender not necessarily accepted.

JAMES HENDERSON, Treasurer, Co. of Dufferin.

Random Notes on the Shows
and
Bright Comment on Sports
in this issue of

RADIO WEEK
Canada's National Radio Weekly

Radio listeners and those interested in good entertainment are served by this 5c tabloid newspaper. Programme service is a feature.

Exclusive radio articles and unbiased opinions on sport and theatre are carried. Illustrations of radio and screen notabilities appear throughout.

Circulation is secured particularly by news stands and boy sales; but for those radio listeners better served by the post, yearly subscriptions at $2.00 will be accepted.

An audited report will be submitted to advertising agencies and advertisers covering paid circulation of first four issues. Audit Bureau of Circulation's membership is to be applied for as soon as Radio Week qualifies.

Here is a paper which will always enter the home — which will be read *each day in the week* by the whole family. Here is an advertising medium of value for almost every type of merchandise.

RADIO WEEK
Published by The MacLean Publishing Company, Limited
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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Earning Power Decides Company's Asset Value

Major A. E. Nash Says True Earning Power Over Period of Years Must be Known in Order to Decide Properly on Wisdom of Investment

"If I were asked by a client to analyze the financial statement of a large industrial or financial concern I would first of all request the balance sheets of the concern for at least five years back and the profit and loss accounts for the same period," said Major A. E. Nash, chartered accountant, in a recent address before the Canadian Society of Cost Accountants. "I would set these up in comparative form and as a result would be able to form some reasonable judgment as to what has happened to the assets over this five-year period, what the trend of profits had been during the same period and, in a very general way, come to some conclusion as to the soundness of the business. It would, of course, be impossible by merely looking at the published balance sheets and profit and loss accounts to do more than touch the high spots, but provided the statements were prepared in similar form each year and were fairly presented, it should form sufficient guide for ordinary purposes.

Scan Earning Power First

"One very practical way of valuing the assets of a company is to look first at the earning power. In the long run no assets have any real value if the company is unable to earn through those assets sufficient to repay the investors a reasonable return on their investment. A company may be excellently well equipped in buildings and plant—I know some companies who are far too well equipped at the present time—but if this equipment cannot produce goods which can be sold at a profit, it in itself has very little real value.

Goodwill Value Doubtful

"If you show goodwill on a balance sheet at a substantial figure and the company has had a bad experience of losses over a period of years, you can take it for granted that goodwill has little or no value unless the company is transacting a specialty business and, even in such cases, the value of goodwill is very doubtful where there are no profits. If you find that the amount of depreciation which is being put up annually against the fixed assets of the company is not adequate you can usually take for granted that the earnings of the company are not sufficient to allow of adequate depreciation and can regard this as a danger signal. If you find that large items of expenditure, such as advertising, are being carried forward from one year into another, it is usually a sign that the earnings of a company are slim, or if you find that other intangible assets are not being written down from year to year, the same conclusion might reasonably be drawn.

Study Earnings Over Years

"In my view it is almost impossible to value a business or to come to a proper conclusion as to whether to invest in it or not unless it is possible to obtain the true earning power of the company over a period of years. This, in my opinion, is the most essential point to be considered. Of course, in the early days of a company, some losses may be expected and one must not allow one's vision to be clouded by this feature, but if after a reasonable period of time the company does not show satisfactory profits, my view is that as an investment it had better be left alone.

Strong Management Important

"One of the most outstanding questions to be considered in determining whether to invest in a company or not is the strength of the management. This, of course, can only be determined by knowledge or experience, but it is without question true that if a company has good management it will come through bad times with less grief than if its management were poor, and will be better able to take advantage of the upturn in business with the approach of good times.

Financial Editors Do Better

"Before closing I would like to refer to the work that is being done by many of our leading financial papers in analyzing the financial statements of public companies. Good progress has been made in recent years in this work and the financial editors are to be congratulated upon the manner in which they present the facts.

Proper Cost System Essential

"In conclusion, I would like to say one word about the relation between costs and financial statements. In the first place, it is quite impossible to prepare an accurate presentation of a company's operations unless proper costs are obtainable. Costs are necessary in determining inventory values and profits. In my experience a proper cost system is essential to the assurance of an accurate statement of operations and, speaking as a member of the Cost Accountants' Association of Ontario, I want to emphasize this view and at the same time express my very great appreciation of the work that has been done by cost accountants, particularly in the last few years, in bringing about more adequate and accurate records for the purpose of determining to a more exact degree the real results of operations."

Bawlf Grain Preferred

What is your opinion of the Bawlf Grain Co. 6½ per cent preferred stock? Is there a prospect of any dividend action during the next two years? If put on market, what would it sell for, approximately? Bawlf passed its dividend on this stock about 18 months ago.

You ask if there is any prospect of dividend action during the next two years on the Bawlf Grain Co. 6½ per cent preferred stock. As there were operating losses for the N. Bawlf Grain Co. for the years ending July 31, 1930 and 1931 and as the partial crop of 1931 makes it probable that most companies in this business will not do as well in the current year as usual, dividend action in the next year or two would not seem to be on the cards.

The company carried into the present year a surplus of $431,682 while the preferred dividend when fully paid requires only $130,000. The company's bank loans last year increased from $443,100 to $1,218,000 and its working capital was therefore low. That situation has probably been improved during the current year, but dividends are not apt to be paid until earnings are higher and more stable.

The last sale of preferred stock that we noticed was at $20 per share. There have been no recent sales.

Canadian Oil Cos.

We would like a report on the Canadian Oil Companies preferred stock. Will you kindly give the price range for 1931?

The price range of the preferred stock of Canadian Oil Companies in 1931 was high 120 low 95½.

The company has paid its preferred stock dividends without a break since 1918, but there have been gaps in the payment of the common dividends, though not since 1925.

The company's working capital position is strong, current assets of $3,227,978 being 5.71 times current liabilities of $565,387. During 1931 bank loans and advances were reduced to $100,000 from $450,000. Inventories are down, accounts receivable are down and accounts payable also.

The company publishes no income and surplus account, but analysis of the certified balance sheet apparently indicates that earnings on preferred reached $16.65 a share. They were on the same basis $17.72 in 1930 and $28.79 in 1929.

The company is affiliated with the National Refining Co. of Ohio. It was incorporated in Ontario in 1908 and is engaged in the refining, distribution and sale of gasoline, lubricating oil and kerosene.

Canadian Bakeries

I own Canadian Bakeries first preferred stock. Do you think the dividend will be resumed shortly or should I try to sell it?

As the accumulated surplus of Canadian Bakeries was reduced to $822 in the year ending August 31, 1931, one can scarcely expect the first preferred dividend to be resumed until business shows considerable improvement. Nothing has been earned on the first preferred stock for two years. Losses of $160,962 because of certain purchases and sales of grain from July, 1929 to February 1930 have also complicated the situation.

On the long view the company has sufficient promise to give considerable hope to those who decide to hold on. There have been drastic curtailments in expenses and this may be helpful in years of good business. There has been of late rather severe competition which has reduced profits for most of the companies taking part in it.

Spillers

Spillers Ltd. of England took foreclosure proceedings in 1931 in connection with their Calgary mill. I have stock in the company taken over by their Canadian subsidiary. How does the matter stand now?

Spillers Ltd., which held the bonds on the Calgary mill property, foreclosed in 1931 owing to non-payment of bond interest.

Since August 15, 1931, the mill has been the direct property of Spillers, Ltd., and is now operated as a branch of this company in exactly the same way as its English mill.

The Vancouver Milling & Grain Co. Ltd., is still a separate entity, but Spillers Ltd. holds all the shares. J. A. Gilchrist has been appointed General Manager in Canada. He was formerly Export Manager for Spillers in England.

Your stock is now valueless.

Producing Royalties

Will you kindly advise me whether or not the following is a safe investment: Producing Royalties, T. S. Hose, 551 Fifth Ave., New York City?

The Financial Post does not answer enquiries with regard to investments outside of Canada. We do not know anything about producing royalties, sold by T. S. Hose, 551 Fifth Ave., New York City though we note that he is a continuous advertiser in United States publications. As a rule we believe it to be a very speculative proceeding for Canadians to buy producing oil royalties as the properties are generally in the mid-continent area somewhere and Canadians are not in a position to investigate the facts as to production, curtailment schedules, life history of wells in the particular neighborhoods concerned. Records of production do not tell the whole tale, as many of these royalty interests are sold at the peak of production by people who understand the business and production begins to taper off soon afterward.

Investors Syndicate

I would like some information in regard to The Investor's Syndicate of Minneapolis, Minn. What guarantee has the investor that the obligations of the syndicate will be met at the maturity of the contracts? Have they any reserve with the Government or are they guaranteed by the Government?

You ask what guarantee the investor has that the obligations of Investors Syndicate will be met at maturity of the contracts. We know of no guarantee other than the obligations assumed under the contract both by the purchaser of an investment certificate and by the company. If payments are made throughout the life of the contract the obligation then is on the company to pay up. They have done so in the past but we cannot predict what will happen in ten years. They are not guaranteed by the government but deposits have been made to show good faith with some of the Provincial governments.

Successive balance sheets show the company in present position which should permit it to meet all maturing certificates as they come due. It conducts an active selling campaign and it increases its business materially from year to year. For instance, it sold certificates for the face value of $46,000,000 in 1930.

The cash surrender value on these certificates is not very high in the first few years. Naturally, the first few payments have to be taken up in paying the cost of securing the business and for other things just as in the case of insurance companies.

The company claims to have funds on deposit in Canada, to cover more than the cash surrender value of its certificates. This is stated to be the case in Ontario, its deposits being at the Toronto General Trust at the behest of the Ontario Government.

The statement by the company's auditors is to the effect that the company's assets are currently in a position to enable it to meet all its obligations to maturity. A New York firm does the auditing for the company from year to year.

Starr Manufacturing

I hold a bond of the Starr Manufacturing Co. Have you any information as to how this company is getting on. Can you tell me what the market price of the bonds is?

Operations of the skate division of the Starr Manufacturing Co. were on a slightly larger scale in 1931 than in 1930. Prices on the whole were lower, but this was offset by a decrease in the price of materials. Operations of the nut and bolt department were somewhat less than in 1930, reflecting the general slowing up of business in the Maritimes, which is the principal market for the products of this division.

Operations of the company for the nine months ended September 30, 1931, latest figures available, resulted in a profit of $14,495 available for bond interest. It is expected that the financial statement will show interest on the first mortgage bonds covered.

However, as you know, bondholders approved a resolution waiving payment of bond interest for a period of two years, or for such other period as may be deemed advisable, and the company is presently being operated by a receiver. We know of no market for the bonds.

Thayers

Can you furnish me with a report on Thayers Limited, including financial statement for 1931?

Thayers, Ltd., which was incorporated under Ontario laws in 1928 to engage in the wholesale and retail distribution of gasoline, kerosene and lubricating and fuel oils through its chain of service stations in south western Ontario, publishes no profit and loss statement. No balance sheet has been shown since 1929, but the current reports are that earnings showed a decrease though financial position of the company may be somewhat improved. The company distributes products of the Sinclair Oil Corporation in Ontario.

B. C. Power

I hold some "A" shares of B. C. Power Corp. Can you tell me if earnings have declined much this year and is the company earning its dividend? What is the outlook for the "B" stock?

Though earnings of B. C. Power Corp. during the current year have shown a decline from the corresponding period of last year, net profit, after all charges for the nine months ended March 31, 1932, were sufficient to cover dividend requirements. Share earnings on the class "A" stock were $1.69 against dividend disbursements of $1.50. Net earnings in that period were down 9.62 per cent from the corresponding period in the previous year. As you know, the company's fiscal year ends June 30, 1932, and indications are that earnings will be sufficient to cover the $2 payment on the class "A" stock.

The company has carried out considerable expansion of its properties in the last few years, and is still engaged in increasing its available supply of power. Whether funds required for capital expenditures may necessitate some curtailment in dividend disbursements remains to be seen; most companies are finding it difficult to raise new money through the issuance of securities owing to unsettled conditions.

The company is the leading utility in the territory it serves and any improvement in industrial activity should find a fairly rapid reflection in the situation surrounding the company. The class "B" stock, however, can only be regarded from the long term angle, since indications are that it will be some years before it develops an appreciable earning power.

General Steel Wares

I would be pleased if you would give me an idea of the present outlook for General Steel Wares preferred. I note that market quotations show this as being very low at the present time. Is this company in difficulties?

The present outlook for the preferred stock of General Steel Wares Ltd. is far from bright. The company has earned nothing on its preference stock in the last two years and unless there is a radical change in general conditions there would seem to be little possibility of getting earnings applicable to the preferred stock during 1932.

In the year ended December 31, 1930, the company had a loss of $536,596 after payment of bond interest and in 1931 a loss of $1,119,906 was reported after payment of bond interest and write-offs of inventory. The bond interest due May 1, 1932, was paid, presumably from bank advances. The operations of the past two years have replaced a surplus with a deficit of $1,096,024.

As you are probably aware, the company was formed in 1927 to acquire and operate a number of companies manufacturing a wide variety of lines, including stoves, refrigerators, all types of kitchen utensils, plumbing fixtures, etc. The acquired companies were operated separately until 1931 when operations were largely consolidated and substantial savings in operating costs were effected. These savings are estimated at $1,000,000 per year and at the end of 1931 it was estimated that if business showed even a slight improvement during the current year that the company would be able to earn its bond interest. Business has not improved and, in fact, has fallen off slightly. The company is in a relatively good competitive position to take advantage of any increased business afforded by the Canadian market, but it will probably take some time before preferred shareholders can reasonably expect a resumption of preferred dividends.

E. L. Ruddy Bonds

I hold $2,000 E. L. Ruddy Co. 6½ per cent bonds maturing 1948. I am anxious for some up-to-date information regarding the progress of this company and would also like your opinion of the bonds having regard to the asset value behind them and the company's earning power.

There has been little information given out on the E. L. Ruddy Co. since control was acquired by Claude Neon General Advertising Ltd. in 1930. The poster advertising business is understood, however, to have suffered severely in the last year or so, particularly in Western Canada, and in the East, through competition with the relatively new Neon sign.

Despite this decrease in business, E. L. Ruddy Co. had a net profit of $184,000 in 1931, available for bond interest requirements of some $46,000. Bond interest was, therefore, earned four times before depreciation. Reserve for depreciation amounted to $76,000. The company paid preferred dividends amounting to $49,000, but no preferred dividends have been paid in the current year.

At December 31, 1931, fixed assets of the company were shown at $1,901,592 after provision for depreciation. Included in this item are land and buildings at $161,345 for the former and $216,290 for the latter; posters, panels, fixtures and equipment at $1,532,957. At that time, there was $702,500 of the 6½ per cent first mortgage bonds outstanding. The company had current assets of $307,482 including cash of $56,000, while current liabilities totalled $425,953 including bond advances of $68,000 and loan account of $43,000. The bonds are currently quoted at 60 to 62, but do not have a wide market.

Loblaw Groceterias

Can you explain to me the more than usual liquidation in stock of Loblaw Groceterias Ltd., during the past few weeks? It was very curious to see over 50 or 60 shares traded in one day while on lots of days there used to be none.

During the months of April and May, trading on the Toronto Stock Exchange in shares of Loblaw Groceterias Ltd. amounted to 14,572 shares of class "A" and 3,835 shares of class "B" stock. This is approximately 3.16 per cent of the total class "A" shares outstanding and 1 per cent of the class "B" shares outstanding. Trading, while heavier than usual, cannot be considered excessive and demand was practically equal to supply since there was no substantial weakening in prices. Liquidation is believed to have come from banks who have apparently been holding the stock as collateral on account of loans.

Commonwealth International

I own 10 units consisting of 10 shares preferred and 10 shares common in Oil Shares Inc., an oil trust investing in the shares of the large oil and gasoline companies of U. S. A.

Owing to the unusual conditions in the oil business for the past two years, the statement of Oil Shares Inc. does not show a healthy condition and a group of Canadian unit holders have formed, or are about to form a company to be known as Commonwealth International Corp., which I understand to be a Canadian company to take over the interest of Canadian unit holders of Oil Shares Inc. Their statement reads:

"We will offer three shares of Commonwealth International Corp. Class 'A' stock in exchange for one unit of Oil Shares Inc. The Class 'A' stock of Commonwealth International Corporation is entitled to a fixed, annual, preferential dividend of twenty cents per share and, in addition, will receive 60 per cent of all dividends which the company may from time to time pay. In event of liquidation, either voluntary or otherwise, the Class 'A' stock will receive all the assets of the company."

As Commonwealth International Corp. apparently ask for no cash, requiring that Oil Shares Inc. stock be turned over to them without other consideration, I cannot see where the new company to be formed receives sufficient income to pay managerial charges and a return or 20 cents per share to its shareholders. If Oil Shares Inc. cannot pay a dividend—how can a company formed from the shares of oil Shares Inc. pay a dividend? Can you explain it?

The sponsors of Commonwealth International Corporation claim to have secured sufficient proxies from unit holders of Oil Shares Inc. to cause the annual meeting of the investment trust to have been postponed on several occasions and to force through a reduction in the salary paid to the president of Oil Shares Inc. It is also stated that units of oil shares have been exchanged for the underlying stocks which are now included in the portfolio of Commonwealth International Corp. The same offer that is being made to unit holders of Oil Shares Inc. is being made to shareholders of Federated Capital Corp. and Reliance International Inc. The basis of exchange varies of course with each trust.

The theory is that through pooling the interests of a large number of small shareholedrs Commonwealth International will be in a stronger position to bargain. It is hoped that the outcome will be one of three things: first, the securing of a majority of shares in these trusts, thereby taking over control; second, securing sufficient shares to enable Commonwealth International to get a proportion of the securities underlying Investment Trust's stock, or third by bargaining with the Trust management and selling the stock at a price nearer liquidating value of the shares than is the current market. Whether or not Commonwealth International can successfully achieve these ends remains to be seen.

The only possibility of Commonwealth International paying dividends lies in the success which attends its negotiations with the management of the three investment trusts in which it has interested itself. While success might be achieved with one trust no advantage might be attained with the others. We understand that it is the intention of the sponsors of Commonwealth International to carry on as a management trust with bonds or stocks received should negotiations with Oil Shares Inc., Federated Capital Corp. or Reliance International prove successful.

We have not as yet been able to secure full details regarding Commonwealth International Corporation, although the plan has been outlined to us by one of the directors. Success of the company in the first instance would seem to depend upon the ability of the company to negotiate with the three United States investment trusts in question. If negotiations were not successful, Commonwealth International Corp. would hold in its portfolio only the stocks of the three trusts and could not pay dividends until these trusts paid dividends. While the company reports progress with respect to Oil Shares Inc. former unit holders would not receive full benefit unless negotiations were also successful with Reliance International and Federated Capital Corp.

Great West Saddlery

I am an elderly man with a small business and most of my investments have been bought for steady income. Among these investments are bonds of Consolidated Oka Sand & Gravel Co., preferred stock of Dominion Envelope & Carton (Western) Ltd., and Great West Saddlery and stock of Canadian General Investments Ltd. What are the prospects for these securities?

Prospects for Consolidated Oka Sand & Gravel Co. are not particularly good for the current year in view of lack of activity in the building and construction trades, but during 1931 the company earned bond interest 2.86 times before depreciation and 1.89 times after depreciation. The company also retired $15,000 of bonds in accordance with sinking fund provisions. There is now $671,000 of 6½ per cent first mortgage bonds outstanding while fixed assets are valued at $1,715,469 after depreciation and consist chiefly of properties in Montreal. There is very little market for the bonds.

Great West Saddlery Co. had a very unsatisfactory experience during the years ended June 30, 1929, 1930 and 1931, but there is reason to believe that in the current year ended June 30, 1932, the operating position of the company will show material improvement. During 1930 and 1931 operating costs of the company were considerably reduced, but the effects were not noticeable due to declining volume of sales. Sales in the current year have been better while collections are reported as satisfactory. There has been a definite trend away from tractors back to horses and we understand that at the present time the company is getting some advantage from this trend and is just about earning its bond interest. While it may take some time before the company can make full recovery at least conditions are better than in the last two years.

Dominion Envelope & Cartons (Western) Ltd. had profits of $9,429 in 1931 as compared with $34,372 in 1930 and the company paid only part of the preferred dividend due in 1931 so as not to draw on surplus account. Operating entirely in Western Canada the company was affected by local conditions, but managed to reduce bank loans from $50,000 to $20,000 and show working capital of $109,000. At the time that the last annual statement was issued J. R. Hitchings, president of the company, stated that while there was no immediate improvement in prospects the company should immediately benefit by any improvement in general business conditions.

Canadian General Investments Ltd. has in common with other investment trusts suffered substantial depreciation in its investment portfolio and the outlook for the company must depend in large part upon an upward movement in security prices. There is practically no market for the shares at the present time.

Vancouver Has New Industries

According to a census taken by the Vancouver Board of Trade there were 45 new manufacturing companies established in this city in 1931, their range of output including food products, dairy products, machinery products, lumber products, automotive equipment, fur garments, oil burners, tiles, wood preserving, cement and salt.

Hog Grading Increases

From the first of the year up to the week ended May 12, 1,232,385 hogs were graded in Canada, compared with 887,317 or 345,168 head more than in the corresponding period last year, according to statistics published by the Dominion Livestock Branch.

CANADA PERMANENT MORTGAGE CORPORATION

Quarterly Dividend

Notice is hereby given that a Dividend of THREE PER CENT for the current quarter, being at the rate of

TWELVE PER CENT PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

SATURDAY, THE SECOND DAY OF JULY

next, to Shareholders of record at the close of business on the Fifteenth day of June, 1932.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, May 18th, 1932.

4%

paid on deposits—
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Linen Mills For Sale

The present Board of Directors being desirous of retiring are prepared to recommend a sale of Dominion Linens Limited as a going concern, and invite tenders for the purchase of the preferred and common stock of the Company.

Full particulars may be obtained by addressing the Company at Guelph, Ontario, Canada.

DOMINION LINENS LIMITED.

Free Information on Canada's NATURAL RESOURCES—

Minerals, Water Powers, Forests and other resources, also opportunities for development. A competent staff is available to render advice and assistance.

Consult our libraries.

CANADIAN NATIONAL RAILWAYS

Department of Natural Resources

C. Price-Green, Commissioner,
360 McGill Street,
Montreal

H. G. Wildman,
Mineralogist,
360 McGill St.,
Montreal

Fred V. Seibert
Superintendent,
Union Station,
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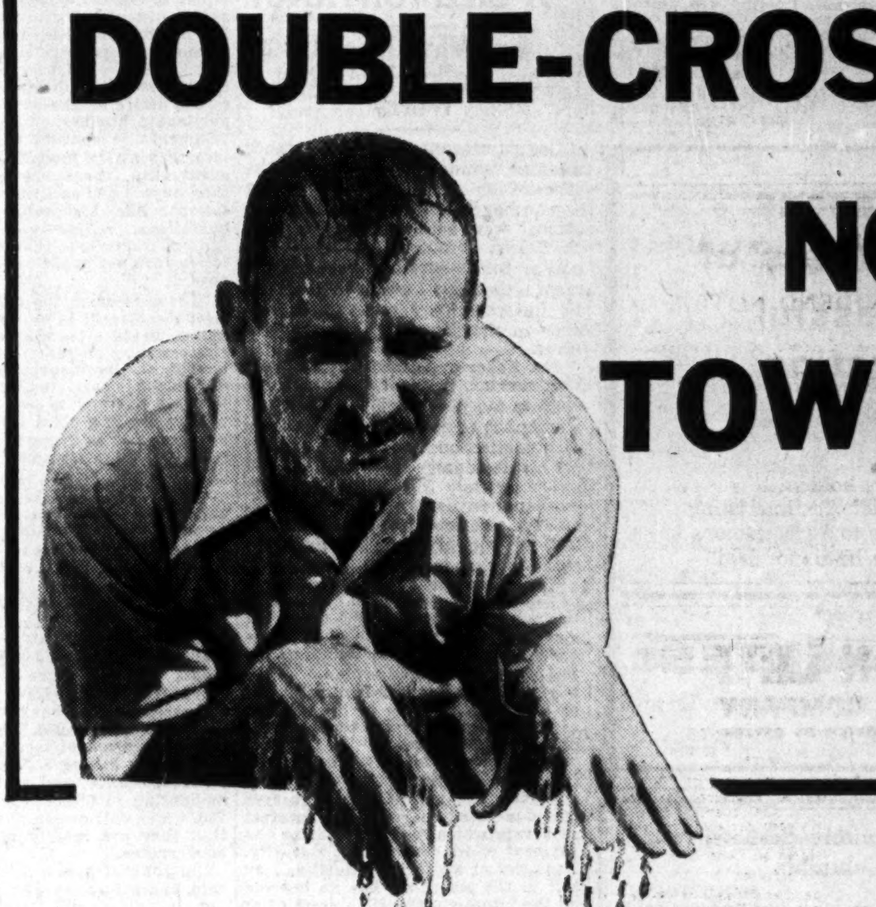

One of Life's most irritating moments. The Company probably thinks it's saving money by not putting towels in the washrooms. The Company is wrong—it's *losing* money! Employees who are not furnished towels take their revenge by using yards and yards of tissue to dry their hands and faces . . . "grumbling" about the treatment they receive . . . wasting time and fermenting ill-will among fellow employees.

DUOTOWLS *Solve Problem*

Duotowls are so inexpensive that there is no longer an excuse for any Company being "towel-less". Because they're *double*, Duotowls are more efficient. The Capillary action between the two sheets actually increases absorbency. And because they are more efficient they are less expensive—one Duotowl does the work of two ordinary paper towels, yet the purchase price of Duotowls is comparable to that of less efficient towels.

Made from pure, clean fibres . . . soft and kind to the skin. Dispensed by attractive cabinets located in the washrooms. Send today for free samples of this new towel. At the same time we will send you a booklet which tells in complete detail the many advantages of Duotowls . . . how you can use them economically. Mail the coupon today.

As the absorbency of a paper towel is partly dependent on its weight, samples taken at random from every "run" of Duotowls are tested on the machine shown here. This rigid inspection, assures the high standard of uniform quality found in Duotowls.

CANADA PAPER COMPANY,
Department 86, 407 McGill Street,
Montreal, P.Q.

Please send me sample Duotowls and your free booklet.

Name..........
Address..........
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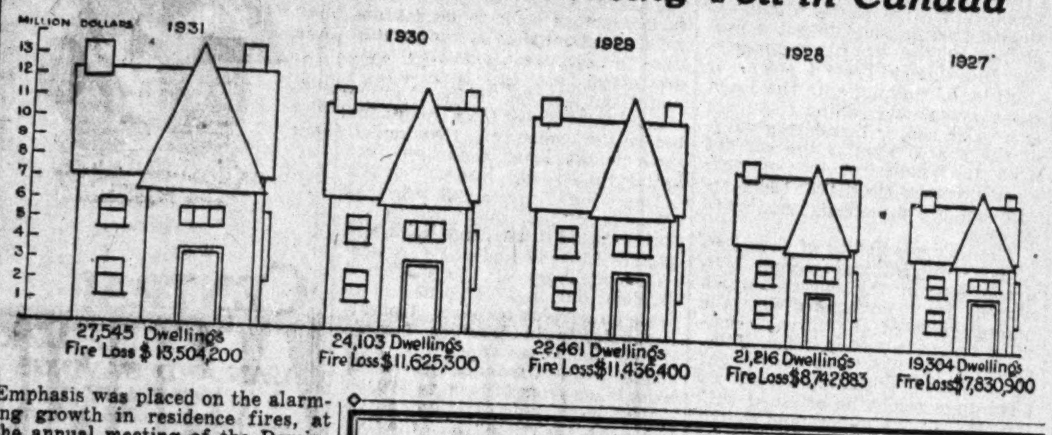
Dwelling Fires Take Increasing Toll in Canada



Emphasis was placed on the alarming growth in residence fires, at the annual meeting of the Dominion Fire Prevention Association this week. The chart shows graphically how fire loss in this group has been steadily mounting in recent years, although in 1931, for instance, fire loss in commercial properties declined.

FIRE PROBLEM NOW SHIFTED TO RESIDENCES

Dominion Fire Commissioner Points to Big Increase in Dwelling Fires

PREVENTION MEET

Total Fire Loss in Past Year $47,117,000 from Nearly 50,000 Individual Fires

That the crux of the fire waste problem in Canada has changed from the industrial establishment to residential property and that in the last ten years, fire has occurred in one out of every ten dwellings in Canada and has affected more than all the dwellings in the combined Maritime provinces, was the point particularly emphasized by J. Grove Smith, Dominion Fire Commissioner, in his annual statistical report of fire losses in Canada in 1931, presented before the Dominion Prevention Fire Association at Ottawa this week.

During the ten-year period 1922 to 1931, Mr. Smith pointed out that fire had damaged 210,149 dwellings and 42,519 barns, sheds and outbuildings with a combined loss of $112,047,000. Losses from this source have grown tremendously in recent years but the loss in 1931 was almost double that of five years ago.

Commercial Fires Decline

This increase, which is clearly shown in the table reproduced below, is continued in spite of a remarkable decline both in the number and extent of fires in commercial property during 1931:

Fires in Dwellings in Canada

	Number of Fires	Amount of Loss
1922	16,041	$7,057,686
1923	17,789	7,686,955
1924	16,943	6,998,473
1925	19,166	7,653,204
1926	18,581	8,321,006
1927	19,304	7,830,925
1928	21,216	8,742,883
1929	22,461	11,436,885
1930	24,103	11,625,274
1931	*34,545	13,504,212
Total	210,149	90,857,008

*Includes approximately 7,000 small fires in which insurance losses were paid but fire departments were not called. Such fires, numerically considered, were omitted in former years although the loss occasioned thereby was included in the total loss.

Surveying the 1931 loss situation, Mr. Smith pointed out that during the year there were 49,284 fires with a property loss of $47,117,000 as compared with 39,117 fires in 1930 having a total property loss of $46,100,000. On a per capita basis, the 1931 loss stands at $4.54 as compared with $4.70 a year ago. The 1931 figures on a per capita basis is the lowest since 1928.

Insured Property Increases

A slight increase in the estimated total insured value of property in Canada is shown, the figure now standing at $11,890,000,000 as compared with $11,815,000,000 the previous year. The average rate of premiums for $100 of value insured now stands at 83 cents as compared with 79 cents the previous year, and $1.11 in 1921. Tribute is paid by Mr. Smith to this decrease for the 11-year period which amounts to almost 30 per cent.

Analysis of fires according to size shows that the number of large fires was considerably reduced in 1931, only 29 fires exceeding $100,000 in loss, having occurred. A year ago, the number was 41. Total property loss, however, was almost as large as a year ago, due to the harbor conflagration in West Saint John, which caused a loss of $2,742,000.

Attention is drawn in the report to the tremendous increase in the number of fires arising from smokers' carelessness. Of 35,000 fires of which the individual loss was less than $1,000 almost 25 per cent were reported as having arisen from discarded cigarettes and cigar ends. More than 4,000 insurance claims of from $50 to $300 were made as the result of damage to upholstered furniture and carpets, from lighted smoking material laid or thrown thereon.

Two hundred and fifty-one persons died as the result of fire in Canada during 1931 as against 311 the previous year. Of this number 126 were children of immature age, 71 being burned in their homes during the absence of parents or other responsible persons.

Causes of fire in Canada in 1931 were given as follows:

Origin of Fires in Canada, in 1931

Causes Reported:	Number of Fires	Property Loss
Smokers' carelessness	12,335	$1,696,477
Stoves, furnaces & pipes	8,934	4,557,713
Sparks on roofs	2,771	1,233,305
Electrical defects and appliances	2,626	1,843,474
Carelessness with matches	2,317	956,084
Lightning	1,456	911,146
Exposure	1,391	1,177,733
Defective chimneys & flues	952	785,008
Volatile liquids	928	763,485
Hot ashes and coals	576	859,769
Spontaneous combustion	907	12,058,944
Portable lamps and lanterns	668	
Open fires	485	
Misc. special hazards	374	
Supposed incendiary	298	
Fireworks	203	
Misc. known causes	2,467	2,064,814
Unverified causes	9,596	18,209,387
Total	49,284	47,117,334

Three Months Fire Loss Higher in Nova Scotia

Nova Scotia's fire loss from 364 fires during the first three months of the year was $586,793 as compared with a loss of $383,613 from 279 fires in the first quarter of 1931, according to figures published by the provincial fire marshal.

Dwellings were involved in 276 fires involving a loss of $178,597, manufacturing establishments lost $251,723 in 20 fires and mercantile stores lost $57,625 in 22 fires. The main cause of fires during the period was defective heating apparatus, 73 fires being caused by defective chimneys, 13 by hot ashes, 10 by open fires, 62 from defective fireplaces and stoves, 83 from sparks on shingle roofs and 17 from sparks from stoves and grates.

How $93,000,000 Fire Loss Was Distributed in 1930-31

Property Losses Insured and Uninsured *

Province:	1931 Insured Loss	1931 Uninsured Loss	1930 Insured Loss	1930 Uninsured Loss
Alberta	$ 2,450,587	$ 531,992	*$2,441,134	$ 522,057
British Columbia	2,607,554	554,840	3,724,737	976,353
Manitoba	2,179,885	337,171	2,271,646	474,658
New Brunswick	1,708,015	2,514,334	1,279,427	663,458
Nova Scotia	1,384,928	350,389	1,077,923	536,470
Ontario	13,228,396	2,735,912	13,293,428	2,852,110
Prince Edward Island	363,633	457,657	146,250	89,694
Quebec	9,179,350	2,905,785	9,218,642	2,958,033
Saskatchewan	3,150,862	413,623	2,681,770	882,523
Total	$36,224,343	$10,892,991	$36,134,957	$9,974,924

*Not including losses insured with unlicensed companies.

Municipal Group Classification

	1931 Total Loss	1931 Per Capita	1930 Total Loss	1930 Per Capita
Cities over 10,000 population	$17,243,580	$4.00	$14,643,570	$3.43
Towns 5,000 to 10,000 population	2,301,813	3.98	1,963,095	3.92
Towns 1,000 to 5,000 population	3,094,417	4.07	3,891,724	5.18
Villages under 1,000 population	8,246,519	5.16	9,877,062	5.47
Rural districts	17,231,005	5.63	15,734,424	5.13
Total	$47,117,334		$46,109,875	

Occupancy Group Classification

Group:	1931 Number of Fires	1931 Property Loss	1930 Number of Fires	1930 Property Loss
Manufacturing risks	885	$ 7,221,806	1,150	$10,203,522
Mercantile stores	5,145	10,468,598	3,676	11,471,834
Residential properties	34,545	13,504,212	24,103	11,625,274
Farm property (other than dwellings)	3,240	5,418,227	3,962	5,002,146
Institutional buildings*	535	3,174,354	494	1,879,080
Miscellaneous property†	4,834	7,330,137	5,732	5,928,019
Total	49,284	$47,117,334	39,117	$46,109,875

*Institutional buildings includes churches, colleges, schools, hospitals, convents and philanthropic institutions.

†Included in miscellaneous in 1931 is the Saint John, N.B., harbor fire, involving a loss of $2,741,881.

Fires Classified by Extent of Loss

Losses:	1931 Number of Fires	1931 Property Loss	1930 Number of Fires	1930 Property Loss
Exceeding $100,000	29	$ 7,664,235	41	$ 7,969,606
$50,000 to $100,000	53	2,950,570	72	4,662,051
$25,000 to $50,000	108	3,650,018	116	3,281,960
$10,000 to $25,000	288	3,922,764	304	4,246,577
$5,000 to $10,000	1,076	6,832,189	1,283	8,081,210
$1,000 to $5,000	12,046	17,477,185	9,525	12,076,129
Below $1,000	35,684	4,619,173	27,776	5,792,342
Total	49,284	$47,117,334	39,117	$46,109,875

Fatalities by Fire, 1925-1931

Year	Men	Women	Children	Total
1925	84	92	171	347
1926	79	86	123	288
1927	86	107	272	465
1928	51	84	179	314
1929	47	65	121	233
1930	53	91	167	311
1931	47	78	126	251
Total	457	593	1,159	2,209

ECKER EXPLAINS FIRM FOUNDATION OF LIFE CONTRACT

Shows Why Life Insurance Policy Need Not Worry

Cogent reasons why life insurance remains "sound and unshaken in the face of so much distress among some other types of moneyed corporations" were set forth by Frederick H. Ecker, president of the Metropolitan Life Insurance Co. in a statement issued this week giving figures to illustrate his company's experience in the face of difficult conditions.

Mr. Ecker explained why the current market price of insurance securities did not affect the ability of a company to meet all its claims and also pointed out that in the case of his own company there was in 1931 approximately $700,000,000 readily available to demands from policyholders of approximately $233,000,000, or roughly three dollars for every one needed.

"In looking at the financial standing of life insurance companies, there are two angles to consider. First, in what manner, if any, might a decline in the quoted market value of its assets affect its solvency; and second, what, if any, embarrassment might grow out of an undue increase in the demand of its policyholders for cash surrenders and policy loans.

"The business of life insurance is to receive premiums, pay claims and expenses, and to build up a reserve to be invested as compound interest at a rate which will provide for the payment of its contracts at maturity. The price at which the securities may sell in the meantime has no bearing on the situation, and if interest of at least the assumed rate is paid during the life of a given investment, and if the principal of such investment is paid at maturity, that is all that is necessary to safeguard that angle of the business. Those unfamiliar with the subject often confuse the reasons for declines in market values. Declines in market values occur for two reasons, one, because of doubt as to the obligor's ability to meet interest payments or pay principal when due, and second, because of so-called tighter money conditions that are due to the desire on the part of a disproportionate number of holders of investments to convert their holdings into cash at the moment. In such an eventuality, there are more sellers than buyers and security market quotations, like any other commodity quotations, suffer accordingly. It follows, therefore, that market quotations are not important for our purpose.

"There remains the other question first mentioned, as to whether a situation would arise that would necessitate selling on the market holdings bought for permanent investment—whether it is possible that the demand for cash surrenders and policy loans could arise to a point where it would be necessary to dispose of securities to meet such a situation.

Plenty of Liquid Assets

"Last year, for instance, the cash surrenders of the Metropolitan amounted to $156,000,000, and the net increase in policy loans amounted to $67,000,000, a total of $223,000,000. Our gross income for last year amounted to $907,000,000. After deducting expenses of the business and payments to beneficiaries, there remained a net of $433,000,000. Repayments of mortgages amounted to more than $114,500,000 in addition, and repayments of bonds, etc., to something over $63,000,000. We held United States Government securities for over $50,000,000, having a market price of over $52,000,000, and other securities amounting to $20,000,000 or $30,000,000, which fall due in so short a time that they are readily marketable at book values.

"In round figures, this would indicate approximately $700,000,000 coming in, or readily realizable, that could have been applied to meet policyholders' demands of the character to which I have referred, which totalled last year $223,000,000. These resources could, if necessary, have been made available by discontinuing other forms of investment, and the demand could have been met to the extent of more than three times last year's totals.

"It is astonishing to see, when one comes to look at the figures, what a liquid position a company is in at all times. Policy loans and cash surrenders are met without in any material way affecting the investment transactions of the company."

Insurance Inklings

L. N. BURNETT, secretary-general of the Metropolitan Life Insurance Co. was recently the recipient of an honorary doctorate from l'Universite de Montreal for services rendered to the School of Applied Social Hygiene and to the School of Social Science.

LANSLOTT W. WALDRON, of Hamilton, Ont., died on May 27. He was one of the city's oldest practicing insurance men having been connected with the Manufacturers' Life Insurance Co. for many years.

ANGLICAN SYNOD OF ONTARIO decided at their annual session at Kingston, Ont., to drop out of the group insurance scheme, which has been in effect for five years.

Undertakers, Policemen Poor Insurance Prospects

But Teachers, Clerks, Accountants, Travellers and Nurses Look Good According to London Life Analysis of Sales

If you are a life insurance underwriter and want to sell more policies in 1932, don't spend your time with undertakers, policemen, street car motormen or machinists.

This is apparently one conclusion to be drawn from an analysis prepared by London Life Insurance Co. which undertakes to find out who bought ordinary insurance with the company in the last six months of 1931, and also the average size of the policies bought in that period by various types of purchasers.

On the basis of number of policies bought, the undertakers, policemen, street car motormen, machinists, and operatives in automobile plants were the poorest customers of the company, while at the top of the list were teachers, clerks (not specified); bookkeepers, cashiers and accountants; bank and other officials, doctors, commercial travellers and trained nurses.

Average Size of Policy

On the basis of size, the largest policies were sold to box factory operatives, although we suspect a fluke resulting from the appearance of a particularly large policy as one of the eight sold to this occupational group in the six-month period. The average policy sold to this type of operative amounted to $16,875.

Second on the basis of size of policy was the classification "officials, banks, brokerage offices, etc.," which took 42 policies of an average value of $11,380. Real estate agents came next with average policies of $9,777, followed by mine officials, physicians and surgeons, and officials of elevator companies (presumably grain) all of which had average policies worth $9,000 or over.

Here is the compilation as made by the London Life and showing the average policy taken by each group and also the percentage of business each group took in proportion to total business issued by the company. The occupations are ranked in order of total business sold during the period.

Occupations of Applicants to whom Policies were Issued by London Life
(Ordinary Business, last 6 months of 1931)

	Av. Policy	% of Gross Amt.
Teachers	$ 4,225	15.40
Clerks (not specified)	4,045	8.65
Book'p'rs, cashiers, account's	4,547	6.60
Officials, banks, brokerage offices, etc.	11,380	6.55
Physicians and surgeons	9,545	5.75
Commercial travellers	5,000	5.49
Retail dealers (not specified)	6,365	5.49
Trained nurses	4,573	4.70
Agents and collectors	5,430	3.65
Wholesale dealers	7,333	3.01
Dentists	6,652	2.11
Box factory operatives	16,875	1.85
Delicatessen, fruit, etc., dealers	4,814	1.78
Lawyers, judges & justices	4,708	1.55
Druggists and pharmacists	5,095	1.47
Public service—general	7,133	1.47
Real estate agents	9,777	1.21
Bakers—semi-skilled	6,142	1.18
Clothing industry operators	5,000	1.16
Automobile dealers	8,500	1.16
Civil engineers & surveyors	5,206	1.08
Managers (not specified)	6,250	1.03
Mine officials	9,625	1.05
Butter & cheese makers	4,800	.99
Rly. conductors (not passen'r)	4,180	.97
Designers and inventors	5,000	.95
Protestant clergymen	4,066	.87
Public inspectors and officials (not specified)	5,000	.80
Professional occupations (not specified)	5,333	.88
Garage proprietors	4,615	.82
Officials of elevators, etc.	9,000	.71
Electricians	5,100	.70
Religious, charity & welfare workers	4,083	.67
Oil dealers	4,272	.64
Printers and engravers	7,500	.62
Manufacturing Co. operatives	4,566	.56
Linotypers	6,666	.55
Store clerks—not salesmen	5,428	.52
Editors and reporters	5,285	.51
Telephone linemen	4,000	.49
Railway section foremen	4,714	.45
Butchers	4,125	.45
Plumbers and steamfitters	4,285	.41
Locomotive engineers	5,000	.41
Knitting mill operatives	5,400	.37
Railway passenger conductors	4,333	.36
Locomotive firemen	4,166	.34
Automobile factory operatives	5,000	.34
Constables, sheriffs, etc.	4,500	.30
Street railway motormen	4,200	.29
Undertakers	4,200	.29
Machinists	4,000	.27

The company also published an analysis of its industrial business which shows a considerably lower average value of policy, the highest being physicians and surgeons with average policies of $7,500, followed by garage proprietors and officials with $7,428 for an average. The largest group on the basis of number of policies was the classification "clerks" to whom nearly twice as many policies were sold as to the next group on the list, namely, bookkeepers, cashiers and accountants. Commercial travellers ranked next and then teachers.

Record Week Established in London Life Contest

Result of the first week of the annual efficiency campaign of London Life Insurance Co. shows the volume of insurance issued to be twice that of the same period of the previous year. During the week $3,880,000 of new insurance was issued as compared with $2,130,000 for the opening week of last year's campaign and $2,742,240 in the record opening week of 1930.

It is stated that all sections of the country contributed their fair share of the business, some of the supposedly hard hit districts being among the leaders. The industrial branch was well represented in the total with 3,443 applications fo $1,765,000, averaging more than $50 per policy.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Sun Life Stock

I am thinking of investing in Sun Life shares and would appreciate having your opinion of this company and its stock.

Sun Life shares are currently quoted at $300 bid and $350 asked. On the basis of the $50 per share dividend paid by the company last year on its stock, this would give a yield of between 15 and 16 per cent. However, as half of that dividend was in the form of a bonus. It would be most unwise to count, for the present at least, on anything more than a $25 dividend per annum, which would give you a yield of between 7 and 8 per cent.

This is a high yield for an insurance stock, but the relatively small capitalization of this and most life insurance companies, makes such payments possible. Whether even this rate will be continued until security prices improve or not is problematical.

Furthermore, it is doubtful if Sun Life shares will, for many years at least, repeat their spectacular performance of a few years ago.

At that time, as you probably know, the stock ran up to extraordinarily high levels due to the knowledge of investors, particularly those in the United States, that the company was largely interested in common stocks, and accordingly as common stock values soared, the Sun Life stock soared also.

As has been pointed out in The Financial Post, however, new legislation now before the federal government will limit the common stock holdings of any one company to 15 per cent of its total assets, which probably means that Sun Life Insurance Company is out of the common stock picture for the next decade.

Although like many other institutions, the company has made mistakes during the past few years, we believe that sooner or later, it will emerge from this situation in probably a stronger position than ever.

Liverpool & London Has Satisfactory Year

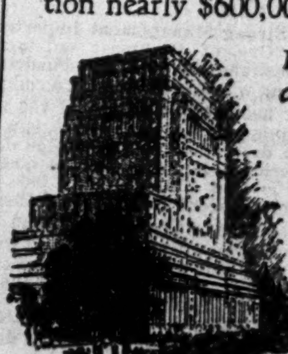
Reduction of premium income of all sections of the Liverpool & London & Globe Insurance Co. with the exception of the life department is revealed in the annual statement of the company recently issued. No life business is transacted in Canada by the company.

Underwriting surplus for the year after making full provision for all outstanding liabilities and reserves for unexpired risks is $1,097,720. Total funds are increased by $3,615,260 to $127,068,490. Dividends for the year were 27/- per share, less tax, the same as in 1930.

Fire department premiums totalled $22,405,795 in 1931 as compared with $23,496,220 in 1930. Losses amounted to $10,841,650. Fire funds now amount to $17,837,320. Premium income from the accident and miscellaneous department amounted to $26,995,720 as compared with $28,479,450 in 1931, while claims were $17,657,370. Reserve funds for this department stand at $31,231,960.

Saskatchewan Life Co. Holds Annual Meeting

M. B. Farr, general manager of the Saskatchewan Life Insurance Co. was elected a director of the company at the annual meeting held recently in Regina.


A Great War!
A Great Pestilence!
A Great Depression!

ALL within twenty years. Could there be a more gruelling test?

Yet life insurance stands invincible. During that whole period it paid every obligation promptly and fully — as it has ever since the Dominion was formed.

The Sun Life Assurance Company of Canada itself paid to policyholders and beneficiaries in cash during these periods —

The War (1914-1918)
The 'Flu (1919)
The Depression (1930-1931)

— over $226,000,000. It has paid to its policyholders and beneficiaries since formation nearly $600,000,000.

In prosperity, life insurance is valuable; in adversity it is indispensable. The protection of your home, the security of your business, the comfort of your old age, depend first on adequate life insurance.

Have you enough?

Consult a Sun Life man

Sun Life Assurance
Company of Canada

Premiums Written in 1931 $696,250.61
Losses Paid in 1931 $223,485.46
Est. 1884
PORTAGE MUTUAL INSURANCE CO.
Surplus Cash Assets $639,023
Total Assets $1,625,158

Lines covered include Fire, Automobile, Plate Glass; Burglary, Windstorm and Sprinkler Leakage. Operating under Dominion Insurance Act, subject to annual Dominion Government Inspection.

THE
PORTAGE LA PRAIRIE
Insurance MUTUAL Company
Portage la Prairie Toronto Montreal Edmonton Vancouver 123

4 Reasons for 43 Years of Successful Operation

1. Careful administration
2. Sound Investing
3. Aggressive Sales Policy
4. Clean-cut service to policy holders.

These four reasons tell in brief the interesting story of The Dominion Life rise to a place among the leaders in the Canadian Life Insurance field.

Assets $25,779,000
Established in 1889

THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE - - WATERLOO, ONTARIO
8.4

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $200,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $4,616,449.70
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

THE
ONTARIO EQUITABLE
LIFE AND ACCIDENT INSURANCE COMPANY
Head Office — Waterloo, Ont.
Assets (Dec. 31, 1931) $ 8,125,139
Policy Reserves 6,846,054
Insurance in Force 51,355,672

THE
Western Empire
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

FIRE·MARINE·AUTOMOBILE·ACCIDENT·SICKNESS·BURGLARY·GUARANTEE
BRITISH AMERICA ASSURANCE COMPANY
ESTABLISHED A.D. 1833

A safe and sure way to
Grow Richer
as you
Grow Older

There is a safe and sure way to accumulate wealth—a way that **guarantees** you an income every month for the rest of your life after you reach the age of 60. And in addition it provides positive protection for your family.

The Great-West Prosperity Policy

is one of the soundest, shrewdest investments you can make. It makes definite provision for the period when advancing years must inevitably bring declining earnings.

For example a man, age 25, can purchase a monthly income of $100 a month for life commencing at 60 by depositing $313.50 annually. At the same time he provides protection for his family in the event of early death. Find out all about this investment plan now.

Mail this coupon today.

The Great-West Life Assurance Co.,
Winnipeg, Man.
Dept. A67-E
Without obligation, please mail complete information about The Great-West Prosperity Policy.
Name.............................
Address..........................

THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE - - - WINNIPEG

Current Events in Banking World

Methods of Obtaining New Savings Accounts Explained By Bankers

Many Opportunities Are Found Among Present Clients

MAKE DEFINITE PLAN

Special Attention and Study of Foreigners is Repaid by Good Accounts and Advertising

Probably the greatest point of difference between banking at the present time and as it was 20 years ago is the change in attitude toward new business. The influence of British banking with its "we-are-doing-you-a-favor" attitude toward prospective new depositors has been finally broken down and the more aggressive of the banks are going out boldly after new business.

At first this drive after customers was more or less concentrated on firms and individuals who were prospective current account customers, but bankers gradually are turning their attention to the building up of savings deposits and depositors. A number of banks have appointed savings managers in their branches whose particular duty is to attract new business to the branch, while in other branches managers have given more thought to this method of building up the business of the branch, and within recent months have carried on considerable personal solicitation for new business.

Opportunity for the expansion of savings business can be found in many directions and a definite plan of campaign formulated which will bring results. The experience of bank and savings managers interviewed by The Financial Post is that there is a large volume of business to be had in this field. Some of the best prospects contacted by them and their methods of approaching them should be of interest.

Co-opt Entire Staff

Before beginning an intensive drive after savings business it is important to obtain the entire cooperation of the staff of the branch particularly those who are daily coming in contact with the public. Many reasons for this are obvious and others will be pointed out later in this article. All members of the staff should be instructed to advise the manager of the presence in the office of any non-depositor in the habit of transacting business there. It is then comparatively simple for the manager to point out to him the advantages of becoming a depositor.

Current account customers, being already known in the office and closest to hand, form the first group of prospects. If these customers have no savings accounts in the branch or at another bank, a word from the manager on the advisability of having a cash sum to fall back upon and a suggestion that a deposit of a small amount per week will soon provide a respectable balance and will not be greatly missed, will often bring results. Children and dependents of present depositors, both in current and savings accounts, add to the prospects from this source.

Contact Customers' Employees

Most bank branches of any size have several firms who draw payrolls every week either by cash or by issuing checks drawn on their current accounts and every employee on the payroll thereby becomes a legitimate prospect. Most of these employees will probably cash their pay checks in the branch on which they are drawn and many may already have savings accounts in the branch, but the others can be approached when they cash their weekly check or by a visit to the plant or office by the manager. Visits to the customer's place of business are necessary, of course, where the staff is paid in cash. Managers have found that visits of this nature present no difficulty and in the majority of cases are welcomed by the current account customer, realizing that it is in his interest to have employees with saving habits.

Where banks make up payrolls for their customers ready to be handed to employees, the individual amounts are usually enclosed in envelopes on which the advantages and facilities of the bank in question are advertised. While this advertising matter has a definite appeal when it is first issued it soon loses its drawing power through familiarity and therefore a change in type and general set-up will often bring results from employees previously missed.

Approach Non-depositor

There is another class of person who transacts business in the branch without being a depositor. Usually such visitors live or have business in the vicinity and through acquaintance with some member of the staff use the facilities of the bank for cashing small checks, obtaining change, etc. and this is one type of prospect which the teller can turn over to the manager. In many cases where persons of this class are approached by managers it is discovered that it has been the intention of the party in question to open an account in the branch and an invitation is all that is necessary.

One banker is of the opinion that accounts opened by methods outlined above constitute in many cases the first real efforts at saving made by the depositor and while all do not turn into accounts with good balances a surprising number do. A realization of the advantages of saving, stressed by the manager at the time when the account was opened, often creates a good customer.

Foreigners Good Prospects

In cities having a large foreign population there is a wide field open to the aggressive manager provided he can spend the necessary time to become acquainted with this section of our population. Central Europeans are notoriously canny, and wherever there is any considerable number of them they have formed national societies, most of them with their own headquarters, so they can usually be approached en masse.

Many of these people are in the habit of buying drafts on their home countries, though this is not so prevalent as some years ago, and transacting other banking business through shipping agencies and have a distrustful attitude toward banks. They are exceedingly frugal and save consistently but the money saved is usually hoarded under the mattress or in some such hideaway. Inability to make themselves clearly understood in English is one of their greatest drawbacks as far as dealing with banks is concerned and in many cases their experience with banks has not been of the best. Too often their problems are of no interest to the clerk with whom they attempt to deal and they leave the office disgusted and determined never to go back again.

Study Needs of Customers

This explains how not to treat these foreigners, whether Lithuanians, Russians, Poles or Czecho-Slovakians. They require the personal interest of the manager. Their problems may seem commonplace but they have to be explained in a simple manner and a mutual confidence established. They react favorably to any display of friendliness and when they definitely become "sold" on the branch, or rather on the manager, they often in themselves prove a good source of new business.

It has been proven by the experience of bankers who have made a study of this section of our population that the location of the branch is not by any means the first consideration and that if they are satisfied with the service which they receive they will come from a considerable distance to do their banking business.

As far as their worth as customers of the bank are concerned they are rated extremely high by all those who have had any dealings with them. They are usually in a position to open an account with a deposit of two or three hundred dollars which has previously been hoarded and they consistently add to this amount. Having never been educated to the use of cheques they have exceedingly few withdrawals on their accounts and these are mainly for cash in periods of unemployment or for payment of drafts.

The Personal Touch

Every manager who has made a study of the situation with regard to getting new business stresses the personal touch. Customers like to have their small transactions magnified and to appear as important depositors. A cheery "good morning" from the manager and a personal interest in a customer's problems go far to create satisfied customers who, after all, are the best advertising medium that a bank branch can possibly have.

Stamp on Cheques Favored in U.S.A.

United States banks will bear the cost of collection of the proposed cheque tax if present legislation goes through Congress without change.

In its present form, the proposed tax would require that banks count the number of cheques drawn on each customer's account every month, debit the account with the amount of the tax and remit the total amount to the collector of inland revenue.

Large New York banks, who are actively opposing this method of imposing the tax in favor of a stamp tax as current in Canada, state that it will cost them each upward of $100,000 a year in extra overhead.

Bank Chat

But We Don't Have Any

There is always a scarcity of sterling currency in Canada after the opening of the St. Lawrence navigation season, passengers on the first few ships taking most of the available supply, and this seriously affects the selling and buying rates of this currency. This scarcity was the cause of the following incident.

A Toronto shipping agent was asked his selling rate for sterling and replied that it was $4.25. "But," said his customer, "my bank said that the selling rate was $4.10." On being asked why he did not buy from the bank in that case, the customer replied, "But they don't have any in the office."

Canadian Bank of Commerce announces the following staff changes:

R. C. COPLEY, assistant inspector, Winnipeg, has been appointed an assistant inspector attached to the Head Office, Toronto.

H. M. TURNER has been appointed an assistant inspector attached to the Superintendent's Department, Winnipeg.

J. W. BERRY, has been appointed manager at Kenora, Ont.

R. D. METCALFE has been appointed accountant at King and Victoria branch, Toronto.

S. ROWSELL has been appointed accountant at Bloor and Spadina branch, Toronto.

H. H. BIRON, manager at St. Henri, Montreal, has been appointed manager of the Waterloo, Que., branch.

Bank of Nova Scotia announces the following staff changes:

W. E. SPARHAM has been appointed manager at Cobalt, Ont.

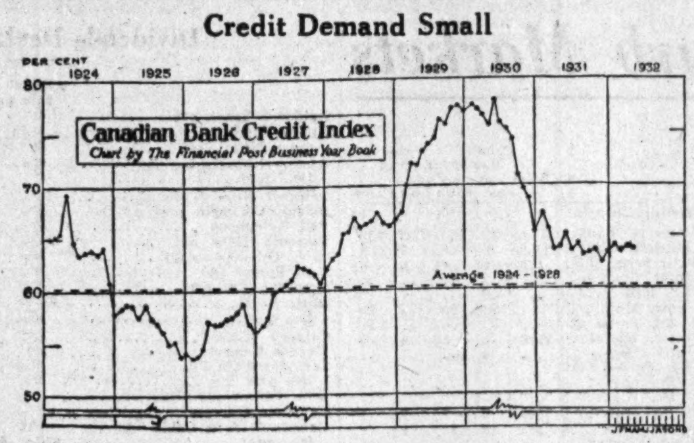
W. G. HENDERSON has been appointed manager at Cornwall, Ont.

D. C. LOUNSBURY has been appointed assistant manager at Ottawa, Ont.

JOHN D. McKENZIE, formerly manager of the Canadian Bank of Commerce, Mossomin, Man., died on May 23.

GEORGE I. BELL, manager of the Calgary, East End, branch of the Imperial Bank of Canada, retired on May 28. Mr. Bell will reside in Victoria, B.C.

Credit Demand Small



Reduced business activity is reflected in the above chart, which shows that for the past 16 months less than 65 per cent of Canadian banks' deposits have been employed in loans as compared with nearly 80 per cent during the boom period of 1929.

Loans to Municipalities Continue to Increase

April Bank Statement Shows Call Loans Abroad Fail to Hold February Gain — Savings Deposit Gain Offset by Lower Demand Deposits

With the exception of loans to municipalities, all types of current and call loans were lower at April 30 than at the end of the previous month, according to the combined statement of all Canadian chartered banks. Call loans abroad, which rose sharply in February have dropped to the low figure of $73,000,000, as compared with $117,000,000 in April, 1931 and over $300,000,000 in 1929.

Savings deposits show an increase of $4,365,000 which is more than offset by a decrease of $5,800,000 in demand deposits as compared with the previous month. The total of demand and savings deposits remains more than $150,000,000 less than at the same time in 1931.

The Financial Post credit ratio stands at 63.1 per cent compared with 63.5 a month ago and 63.9 per cent at the end of April, 1931.

	April, 1932	March, 1932	Change	April, 1931	Change
	$	$	$	$	$
ASSETS					
Immediately Available Liquid Resources					
Specie	55,912,695	58,702,197	—2,789,502	67,072,248	—11,159,553
Dom. notes	111,860,069	116,934,203	—5,074,134	108,548,012	+3,312,057
Gold reserve	23,031,732	23,631,732	—600,000	25,630,866	—2,599,134
Foreign banks	108,672,771	95,864,410	+12,808,361	88,395,513	+20,277,258
Foreign curr.	15,334,395	14,378,253	+956,142	15,992,980	—658,585
Govt. secs.	469,966,209	466,398,513	+3,567,696	444,649,202	+25,317,007
Call loans ab'd	73,154,935	88,133,989	—14,979,054	116,985,827	—43,830,892
	857,932,806	864,043,297	—6,110,491	867,274,648	—9,341,842
Loans and Securities Other Than Those of Canadian Government					
Public secs.	138,523,889	144,773,321	—6,249,432	144,667,296	—6,143,407
Railway secs.	57,755,460	60,390,115	—2,634,655	61,990,875	—4,235,415
Can. call loans	122,360,542	130,714,542	—8,354,000	180,526,619	—58,166,077
Current loans	1,069,590,424	1,070,513,920	—923,496	1,130,226,227	—60,635,803
Prov. loans	39,425,139	43,993,240	—4,568,101	31,143,271	+8,281,868
Loans abroad	184,583,037	188,761,877	—4,178,840	216,554,080	—31,971,043
Mun. loans	154,014,947	149,148,494	+4,866,453	124,607,974	+29,406,973
	1,766,253,438	1,788,295,509	—22,042,071	1,889,716,342	—123,462,904
Other Assets					
Non-curr. loans	11,212,467	10,955,241	+257,226	8,839,545	+2,372,922
Real estate	6,862,213	6,782,269	+79,944	6,161,891	+700,322
Mortgages	6,274,005	6,271,389	+2,616	6,727,704	—453,699
Premises	79,987,362	79,833,529	+153,833	78,731,661	+1,255,701
Lets. of credit	51,943,138	51,159,984	+783,154	72,729,804	—20,786,666
Loans to comp.	13,002,237	13,030,639	—28,402	14,703,804	—1,701,567
Other assets	1,798,662	1,486,862	+311,800	1,860,900	—62,238
	171,080,084	169,519,913	+1,560,171	189,755,309	—18,675,225
Total	2,795,266,328	2,821,858,719	—26,592,391	2,946,746,299	—151,479,971
Note cir. dep.	6,829,384	6,833,782	—4,398	6,804,007	+25,377
Int. bank bal.	98,326,047	97,173,485	+1,152,562	134,246,565	—35,920,518
Gross	2,900,421,759	2,925,865,986	—25,444,227	3,087,796,871	—187,375,112
LIABILITIES					
To the Public					
Circulation	137,352,511	132,568,016	+4,784,495	134,495,175	+2,857,336
Dom. Govt.	65,755,851	86,112,287	—20,356,436	37,795,029	+27,960,822
Prov. Govt.	24,045,874	20,966,368	+3,079,506	20,875,610	+3,170,264
Govt. advances	27,500,000	32,000,000	—4,500,000	11,000,000	+16,500,000
Deposits by Public					
Demand dep.	494,641,968	500,476,262	—5,834,294	595,697,443	—101,055,475
Savings dep.	1,392,887,756	1,388,522,723	+4,365,033	1,453,305,140	—60,417,384
Total	1,887,529,724	1,888,998,985	—1,469,261	2,049,002,583	—161,472,859
Foreign dep.	304,808,725	308,121,620	—3,312,895	338,961,487	—34,152,762
Due to Banks Abroad, Etc.					
Un. Kingdom	5,113,067	5,824,900	—711,833	3,734,779	+1,378,288
Foreign	54,364,264	56,600,150	—2,235,886	68,124,361	—13,760,097
Bills payable	1,606,712	1,846,815	—240,103	3,841,715	—2,235,003
Lets. of credit	51,943,138	51,159,984	+783,154	72,729,804	—20,786,666
Other liabs.	2,427,820	2,909,109	—481,289	3,055,097	—627,277
Public liab.	2,562,447,686	2,587,108,234	—24,660,548	2,743,615,640	—181,167,954
Loans fr. banks†	......	......		824,475	—824,475
Due bet. banks	9,482,664	10,138,276	—655,612	15,204,168	—5,721,504
Liability to Shareholders					
Dividends	1,369,748	820,044	+549,704	1,356,154	+13,594
Reserve	162,000,000	162,000,000	......	162,225,000	—225,000
Capital	144,500,000	144,500,000	......	145,024,560	—524,560
Gross	2,879,800,098	2,904,566,554	—24,766,456	3,068,249,997	—188,449,899
Credit index x	63.1%	63.5%	—0.4%	63.9%	—0.8%

x Ratio of current and call loans in Canada to demand and savings deposits in Canada.

† Loans from other banks in Canada, secured, including bills rediscounted.

DOMINION TEXTILE EARNINGS BELOW DIVIDEND NEEDS

Common Share Profit $4.43 Against $5.06 for Previous Year

From Our Own Correspondent

MONTREAL.—For the first time in many years earnings of Dominion Textile Co. in the fiscal year ended March 31, 1932, failed to cover fully dividend requirements on the common stock. Net profit after all charges was $1,197,713, or $4.43 a share on the common, compared with $5.06 a share in the previous year. Common dividend disbursements at the rate of $5 a share totalled $1,350,000 and there remained a deficit for the year of $152,287. A balance of $7,363,265 was brought forward into the current fiscal period.

Decline in interest on investments was responsible for the reduction in net profit last year. Operating profit was down only about $14,000 at $1,071,253 but other income dropped to $562,272 compared with $721,952 in the previous year. Total income, therefore was $1,635,525 against $1,807,302.

Working Capital Lower

A feature of the balance sheet is a decline of over $1,000,000 in working capital and a gain of $1,438,500 in investments in and advances to subsidiaries. Shrinkage of working capital is due to a heavy gain in bank loans.

Indicative of selling prices prevailing last year, sales amounted to $13,854,636 a reduction from those of the previous year of 9.2 per cent. But despite the lower value of sales the company produced and shipped 1,661,000 more yards of grey cloth and processed through the Magog print works 4,300,000 yards more colored goods than in the previous year.

Profit and Loss Figures

Following is a comparison of profit and loss figures for the past two years:

	1931-32	1930-31
	$	$
Oper. profit	1,071,253	1,085,350
Other income	562,272	721,952
Total income	1,633,525	1,807,302
*Bond int.	299,970	303,945
Net income	1,333,555	1,503,357
Pfd. divid.	135,842	135,842
Balance	1,197,713	1,367,515
Com. divd.	1,350,000	1,350,000
Surplus	†152,287	17,515
Prev. surp.	7,515,552	7,498,035
P. and L.	7,363,265	7,515,550

* Including premium on bonds redeemed, $3,350 in 1930-31, and $3,500 in 1931-32.

Working Capital:

	1932	1931
	$	$
Curr. assets	11,285,098	11,028,015
Curr. liabs.	3,293,288	2,014,680
Work. capital	7,991,810	9,013,335

Cash Shows Gain

In assets, cash and bills receivable, show a sharp gain, totalling $1,194,922 against $165,313. Accounts receivable are up about $7,000 at $1,908,724 and investments and call loans are lower by about $565,000 at $5,324,433. Raw cotton supplies are up $157,000 at $824,315, and inventories have been reduced by $300,000 to $1,656,653.

Outstanding in other assets is an increase in investments in and advances to subsidiaries. This item totals $5,837,207 compared with $4,399,707 in the previous year. Property account, less depreciation, is valued at $19,028,401 a decline of $638,000 from the figure shown in the preceding year.

In liabilities, bank loans have increased from $1,105,730 to $2,490,914. Accounts payable are down some $24,000 and $512,853 and reserves are unchanged at $266,552. During the year there were redeemed $70,000 of first mortgage bonds, leaving outstanding $4,912,000. Capital stock is unchanged.

Remarks to Shareholders

In his remarks to shareholders, Sir Charles B. Gordon, chairman of the board, said in part:

"Cotton had the usual wide fluctuations: Starting our fiscal year at 10.70c, it touched a low of 5.32c in October, and ended with 6.10c on the 31st March, 1932.

"Operations varied from month to month throughout the year with a low of 49 per cent, a high of 79 per cent, and an average of 64.10 per cent for the year.

"During the month of September, Great Britain went off the Gold Standard, and, with the accompanying heavy slump in the market value of the pound sterling, a rise was expected in the price of cotton goods; but, while there was a very moderate rise in some types of goods using American cotton, it flattened out quickly and goods were sold on this market at an even lower margin for profit than in the past.

"The cotton goods situation in both England and the United States is extremely bad, over-capacity and over-production being largely responsible for cloth selling for several cents per pound below a value to represent cost of production and any small margin for profit."

Weekly Bank Clearings

Eastern Cities	June 4, 1931	June 2, 1932
Halifax	$ 3,400,286	$ 2,896,910
Saint John	1,987,527	2,159,339
Moncton	839,967	793,045
Sherbrooke	839,496	653,766
Quebec	5,711,239	4,704,884
Ottawa	6,541,599	4,580,079
Montreal	138,007,788	88,727,499
Kingston	767,996	589,122
Peterboro'	526,185	578,818
Toronto	114,526,299	84,741,067
Hamilton	5,923,730	4,808,497
Kitchener	1,137,338	1,019,307
Brantford	678,586	441,918
London	2,967,731	3,094,195
Chatham	403,754	463,553
Windsor	2,817,813	2,714,908
Sarnia	410,340	191,050
Sudbury	683,172	511,476
Western Cities	**June 4, 1931**	**June 2, 1932**
Fort William	$ 692,376	$ 586,899
Winnipeg	35,837,993	32,530,461
Brandon	421,717	334,067
Regina	5,344,343	3,507,847
Moose Jaw	544,251	565,614
Saskatoon	1,511,163	1,351,643
Prince Albert	493,309	308,401
Edmonton	4,949,668	4,236,831
Calgary	6,945,369	5,174,852
Medicine Hat	225,679	213,188
Lethbridge	392,956	289,018
New Westminster	647,855	481,422
Vancouver	15,422,944	13,189,081
Victoria	1,881,474	1,461,337

SOLID AS THE CONTINENT

At a time when people think primarily of security and when there is such vital need for protection against the future, Life Assurance is the best and in most cases the only means of securing it.

ASSETS
$46,855,113

ESTABLISHED 1881
SOLID AS THE CONTINENT
A MUTUAL COMPANY
ALL PROFITS PAID TO POLICYHOLDERS

The North American Life, a purely mutual company, returns all profits to policyholders and has $119 for every $100 liabilities. It is one of the strongest financial institutions on the Continent.

SURPLUS
$7,007,959

NORTH AMERICAN LIFE

CAN. LOCOMOTIVE PASSES INTEREST

Curtailed Railway Purchases Cuts Earnings; Has Long Record

Canadian Locomotive Co. failed to pay bond interest due June 1 on the $1,085,300 of six per cent first mortgage bonds outstanding. Business during 1931 and the current year has fallen off sharply and in 1931 the company had an operating loss of $148,083 as compared with an operating profit of $374,210 in 1930. Engaged chiefly in the manufacture of steam and electric locomotives and mining machinery, the company has been hit directly by substantially curtailed purchases of these lines.

The nature of the company's business is such that earnings have fluctuated greatly from year to year but since the company was publicly financed in 1911 there have been but four years in which a deficit was reported on operations after taking in interest received on investments. Preferred dividends were paid regularly from 1911 to 1929 inclusive.

After provision for bond interest and depreciation, the company had a loss of $322,171 in 1931 which wiped out surplus and resulted in a deficit carried forward of $32,138. While current assets totalled $1,265,911 and current liabilities but $672,625, the latter item was largely due to a bank loan of $600,000. Chief item in current assets was investments carried at $1,084,459.

Bond interest requirements have totalled $90,000 annually since issuance in 1911 since bonds purchased through the sinking fund were not cancelled. During 1931, however, $414,700 of bonds were retired and this would relieve the company of interest payments amounting to $24,882. National Trust Co. is trustee for the issue and it is understood that bondholders will be advised of the position of the company at an early date.

New Westminster Exports Higher

During the first four months of this year 140,000 tons of cargo were exported from New Westminster compared with 120,000 tons during the same period last year, which constituted a record.

BANK OF TORONTO

A Broad and Constructive Service

BEHIND every service rendered by The Bank of Toronto to business clients, is its unchanging policy of stable yet progressive banking. Directed by a management intimately acquainted with modern business problems—and possessing over three quarters of a century's cumulative experience—The Bank of Toronto is well equipped to serve Canadian business men.

In addition to experienced counsel, specific services include efficient collection facilities; reliable credit information, available through our branch system and daily contact with Dominion business interests; information on foreign and domestic markets furnished by means of branches and agents in Canada and correspondents throughout the world.

Consult with this friendly bank regarding these and other services affecting market activities. Our long experience and stability will be of real value in your business plans and transactions.

1855 1932

THE BANK OF TORONTO
Established 1855

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Position of Chartered Banks of Canada as of April 30, 1932, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	35,143,560	14,108,442	....	8,136,555	132,500,865	394,480,264	65,333,866	2,177,338	938,228	9,025,520	243,816	8,478,952
Nova Scotia	12,317,396	6,562,856	....	292,966	26,852,548	127,602,393	32,055,151	1,787,554	62,176	2,005,114	13,534	4,791,611
Toronto	6,318,009	593,722	....	979,644	22,087,509	63,863,698	....	351,206	148,523	1,160,773	41,000	901,613
Provinciale	3,734,972	2,777,358	....	72,132	4,434,600	32,606,539	....	755	181	51,482	....	7,401
Commerce	24,933,493	11,894,581	....	3,403,840	108,729,302	282,218,923	39,591,333	1,133,219	684,172	11,467,408	52,157	11,972,471
Royal	30,940,083	15,971,396	17,000,000	5,965,331	132,077,872	270,413,825	165,168,715	845,177	439,420	26,460,495	1,256,205	23,637,586
Dominion	6,389,110	3,997,771	1,000,000	453,645	25,298,036	64,103,561	1,366,543	457,493	49,163	1,027,815	....	1,299,570
Nationale	9,138,504	4,135,326	9,500,000	1,464,351	17,042,537	86,150,985	1,293,117	927,834	30,749	333,713	....	222,406
Imperial	8,158,795	5,510,938	....	3,277,410	24,658,881	70,798,324	....	1,596,396	226,811	1,432,608	....	508,346
Barclays (Canada)	278,580	203,461	....	....	959,818	649,244	....	205,692	2,533,644	1,399,336	....	123,182
Total	137,352,511	65,755,851	27,500,000	24,045,874	494,641,968	1,392,887,756	304,808,725	9,482,664	5,113,067	54,364,264	1,606,712	51,943,138

NAME OF BANK	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorized	Capital Subscribed	% Last dividend	Loans to Directors and firms of which they are partners*	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ.
	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	1,743,463	1,097,195	38,000,000	36,000,000	747,408,077	50,000,000	36,000,000	12	3,471,306	21,980,171	53,403,078	36,281,926
Nova Scotia	235,229	13,036	24,000,000	12,000,000	250,591,571	15,000,000	12,000,000	16	2,696,012	9,465,392	7,338,156	12,710,652
Toronto	67,602	1,627	9,000,000	6,000,000	111,514,930	10,000,000	6,000,000	12	1,625,859	367,610	4,942,500	6,513,089
Provinciale	31,487	5,554	1,500,000	4,000,000	49,222,467	5,000,000	4,000,000	9	653,725	248,656	362,452	3,807,833
Commerce	....	12,440	30,000,000	30,000,000	556,093,345	50,000,000	30,000,000	12	6,778,217	11,397,000	17,013,000	26,042,413
Royal	71,475	21,375	35,000,000	35,000,000	760,268,960	50,000,000	35,000,000	12	3,742,379	12,046,496	10,290,463	32,070,233
Dominion	278,517	4,701	9,000,000	7,000,000	121,725,929	10,000,000	7,000,000	12	1,654,107	1,008,000	3,028,000	6,549,190
Nationale	....	2,705	7,000,000	7,000,000	144,242,231	10,000,000	7,000,000	10	671,814	916,643	1,372,552	9,338,750
Imperial	....	211,115	8,000,000	7,000,000	131,379,629	10,000,000	7,000,000	12	478,121	466,077	4,847,224	8,463,740
Barclays (Canada)	....	....	500,000	500,000	7,352,959	500,000	500,000	......	....	6,670	104,715	286,390
Total	2,427,773	1,369,748	162,000,000	144,500,000	2,879,800,098	210,500,000	144,500,000	......	21,771,540	58,402,715	102,702,140	142,064,235

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other bonds and Stocks	Call loans in Canada	Call loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	20,182,350	52,047,865	2,994,353	260,903	20,814,389	1,174	4,152,427	23,619,205	174,730,246	44,151,506	10,620,867	5,645,610	20,262,324
Nova Scotia	9,181,743	6,125,207	951,992	1,833,311	6,198,368	....	1,494,776	7,402,697	35,877,701	15,422,288	9,364,176	11,308,967	4,247,817
Toronto	362,524	5,681,226	592,915	16,470	5,143,568	....	377,867	753,405	25,493,544	7,477,455	1,840,486	4,922,662	....
Provinciale	242,331	337,975	455,475	14,078	1,579,823	894,243	....	92,440	8,030,490	5,602,374	3,557,482	5,496,426	....
Commerce†	11,272,232	15,949,926	1,901,630	1,335,156	17,227,463	28,007	656,589	16,254,242	89,925,748	20,183,313	15,614,730	32,145,329	25,206,341
Royal‡	12,308,069	23,056,595	2,768,443	11,769,308	19,604,366	2,824	1,476,829	45,623,504	71,121,662	24,270,156	9,937,611	34,578,643	21,924,180
Dominion	1,000,012	3,276,582	854,265	33,657	3,540,614	....	126,779	1,477,601	18,572,085	4,724,071	2,850,106	11,350,211	1,514,273
Nationale§	883,620	1,259,095	712,625	54,181	3,842,346	627,098	13,909	653,608	23,708,546	11,255,147	3,673,378	8,426,632	....
Imperial	464,780	4,101,847	653,635	16,566	4,940,265	609,668	324,914	1,439,038	22,016,352	5,314,352	265,774	8,346,962	....
Barclays (Canada)	15,034	23,751	21,377	765	155,764	1,209,357	2,324,159	408,782	480,835	123,227	30,850	139,100	....
Total	55,912,695	111,860,069	11,906,710	15,334,395	83,046,966	3,372,371	10,948,249	97,724,522	469,966,209	138,523,889	57,755,460	122,360,542	73,154,935

NAME OF BANK	Other current loans in Canada	Other current Loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	248,383,622	18,191,425	12,636,065	53,906,953	3,125,590	427,875	1,347,860	14,500,000	8,478,952	1,692,109	6,000,000	329,735	109,064	748,612,481
Nova Scotia	93,388,961	12,952,103	2,482,782	14,472,604	943,701	....	112,298	8,257,008	4,791,611	570,273	1,500,000	2,780,915	119,241	251,780,551
Toronto	49,433,332	....	....	4,772,374	256,719	....	69,419	3,822,541	901,613	297,673	630,866	....	....	112,846,666
Provinciale	18,272,838	....	....	1,585,430	155,812	438,056	495,315	2,194,058	7,401	198,500	....	....	181,082	49,831,637
Commerce†	196,219,861	21,791,809	11,757,736	36,973,455	2,487,284	2,339,147	2,053,203	15,353,474	11,972,471	1,250,000	8,000,000	3,937,588	296,016	562,132,847
Royal‡	280,626,486	130,780,186	3,473,810	15,558,397	3,205,314	2,327,397	895,069	17,526,828	23,637,586	1,700,000	2,500,000	5,953,999	415,604	767,042,877
Dominion	58,960,369	759,000	....	4,469,735	483,569	65,232	23,425	6,023,316	1,299,570	330,000	300,000	....	468,497	122,502,979
Nationale§	61,128,056	108,514	7,768,500	10,513,790	285,693	1,106,828	787,235	5,984,007	222,406	355,283	2,300,000	....	93,923	145,764,429
Imperial	60,931,968	....	1,306,246	11,762,209	227,878	157,678	490,091	6,326,130	508,346	424,122	1,800,866	....	115,144	133,544,841
Barclays (Canada)	2,244,931	....	....	....	40,907	....	....	....	123,182	11,424	....	....	....	7,362,451
Total	1,069,590,424	184,583,037	39,425,139	154,014,947	11,212,467	6,862,213	6,274,005	79,987,362	51,943,138	6,829,384	23,031,732	13,002,237	1,798,571	2,900,421,759

Column No. 26. Of this deposit $10,681,732 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING JUNE 6

Range 1932 High	Low	Divd. Rate in $	Yield in % June 4		Sales	Close May 30 (or last)	Week Ending —June 6— High	Low	Close
3.25	.60			Abitibi	225	1.00	1.00	.60	1.00
10	2½			Do. pref.	230	3	2½	2½	2½
x105	80			Do. pref.					
80	80	7	8.8	Acme F. D'y, p		80			
5	4½			Agnew Surp.		5			
70	70	7	10	Do. pref.		70			
7	3½			Alta. Pac. Gr.	190	4½	4	3½	4
25	19			Do. pref.		20			
3½	2½			Amal. Electric		3½			
11	9			Do. pref.	230	10½	10½	10½	10½
x3½	2½			Anglo N. Hold.		3½			
.37	.15			Asbestos		.15			
1.00	.60			Do. pref.		.60			
6	4½	60c	13.3	Assoc. Brew.	60	4½	4½	4½	4½
70	65	7	10.2	Do. pref.		68½			
x10	3			Assoc. Can.					
x69	65	4		Assoc. Tele.					
29	16			Atlan. Sugar	405	27	29	27	29
92½	92			Do. pref.		92½			
159½	129	10	7.7	Bk. Can. Nat.	19	130	129½	129½	129½
225	150	12	8	Bk. Montreal	410	160	159	150	150
274	239	16	6.6	Bk. N. Scotia	105	249	247	241	243
193	158	12	7.5	Bk. Toronto	20	165½	159	158	159
x24	8½			Barcelona					
3	2½			Bathurst Pr.		2½			
1	1			Do. (B)					
‡26	26			Bawlf Grain					
x25	20			Do. pref.					
5	4			Beath & Sons.	75	4	4	4	4
10¼	4¾			Beatty Bros. A	5	5	4¾	4¾	4¾
60	43	6	13.9	Do. pref.	80	44	44	43	43
3.50	.50			Beauharnois	1243	.50	.60	.50	.55
x93	55	7		Belding Cort.					
65	65	7	10.7	Do. pref.		65			
120	75	7	8.7	Bell Telephone	1777	80	81	75	80
3½	2			Biltmore Hats.		3½			
50	50	7		Do. pref.		50			
4	1½			Bissell, T. E.		1½			
‡97	88			Do. pref.					
8	2			Blue Ribbon		2			
25	12	2	13.3	Do. pref.		15			
20	17½	2	10.5	Brant. Cd. pf.	100	19½	19	19	19
14¾	7½	2⅝		Brazilian Tr.	21202	8	9⅝	7½	9⅝
x½	½			Brew. & Distil.					
1	¼			Brewing Corp.		¼			
3½	1			Do. pref.	10	1	1	1	1
11½	8	80c	8.9	Brit. Amer. Oil	5956	8½	9	8⅝	9
1.75	.60			B.C. Packers	105	.75	1.00	.60	.60
6½	4			Do. pref.		4			
26	15	2	12.3	B.C. Power A.	834	16	16½	15	16
7½	3½			Do. (B)	43	3½	4	3½	4
4	2			Bruck S. Mills.	30	2	2	2	2
20½	10	2	19	Building Prod.	115	10½	10½	10	10½
32	17	2.40	12.8	Burt, F. N.	105	17	18¾	18½	18¾
125	120	6	5	Calgary Pr.		120			
3	2			Canada Bread		2			
85	82	7	8.4	Do. pref. (A)		83			
25	25	2	8	Do. pref. B.		25			
9	6¾	1	14.5	Canada Bud	771	7½	7½	6¾	7
7	2			Canada Cement	747	2½	3	2	2½
66	24	6.50	25	Do. pref.	258	29	26	24	24
b13½	6	1.20	17.4	Canada Dry	3800	6½	8	6	8
6	3			Can. Forg. (A)		3			
7½	2			Do. (B)		7½			
x68	60	8		Canada Iron					
x80	75	6		Do. pref.					
14¾	9½	1.50	13.6	Can. Malting	1450	11	11	10	10½
15	10½	80c	7.5	Can. Nor. Pr.		10½			
92	52½	7	13.3	Do. pref.	45	54	53½	52½	52½
x6	½			Can. Paving					
x51	10½			Do. pref.					
186	145	12	8.3	Can. Perman.	21	150	149	145	149
1	½			Can. Pr. & Pa.		½			
2½	2			Can. Steamsh's		2			
9	4			Do. pref.		4½			
16	9½	1.60	16	Can. Vinegars	346	10½	11	10	10
55	39	4	10.2	Can. W. Cable		39			
18	9			Do. (B)		9			
1½	1½			Can. Bakeries.		1½			
14	11			Do. pref.	50	12	11½	11½	11½
191	123	12	9.6	Can. Bk. Com.	195	129	129	123	129
13½	9	1.25	13.9	Can. Bronze	55	9	9	9	9
102	102	7	6.8	Do. pref.		102			
5½	2½			Can. Canners	5	2½	2½	2½	2½
80	50	6	12	Do. 1st pref.	5	60	50	50	50
9	3½	40c	10	Do. 2nd pref.	737	4½	4½	3½	4
7½	2½	60c	20	Can Car & F'y	1045	3½	3	2½	3
16	10½	1.75	16.7	Do. pref.	1635	11½	11½	10½	10½
6	3½			Can. Celanese		4			
60	46	7	14.9	Do. pref.	25	46½	47	46	47
20	20	2	10	Can. Convert.		20			
‡50	45			Can. Cottons					
60	60	6	10	Do. pref.		60			
17½	7			Can. Dredge	260	7½	7½	7	7½
x92	92	7		Do. pref.					
68	60	6	8.9	Can. Fairb. pf.		67			
4	3			Can. For. Inv.	200	3	3	3	3
65	65			Do. pref.		65			
180	120	4	3.2	Can. Gen. Elec.	5	120	125	125	125
59	52½	3.50	6.6	Do. pref.	156	54	53½	52½	53
66	31	6	17.4	Can. Hyd. E. p.	71	34	34½	31	32
1.50	.50			Can. Ind. Alc.	520	.60	.50	.50	.50
.80	.30			Do. (B)	15	.30	.30	.30	.30
x5.00	3.95			Can. Int. I. Tr.					
x70	64½			Do. pref.					
20	20	1	5	Can. Lt. & Pr.		20			
1½	1			Can. Locomo.		1			
x25	5			Do. pref.					
b1½	½			Can. Marconi	3100	½	½	½	½
13	8	1	11.7	Canadian Oil	45	8½	8½	8½	8½
98	95	8	8.4	Do. pref.		95			
22¼	8½	1.25	11.2	Can. Pacific	8912	9½	11¼	8¼	11
x6½	5			C. Pr. & P. Inv					
2½	2			Can. Vickers		2			
20½	20½			Do. pref.		20½			
2½	1	20c	20	Can. Wineries		1			
7½	4½	1	21	Can. Wire Box	130	5½	4½	4½	4½
12	7			Catelli Mac. A.		7			
x5	5			Do. (B)					
x301	290	12+2		Cent. Can. L'n					
2.05	.50			Chem. Research	1050	.60	.85	.65	.85
7.25	4.50			Cities Service		6.00			
6	3			Cockshutt Plow	390	3½	4	3	3½
2	1			Comm. Alcohol		1			
3½	1			Conduits		1½			
x94	84			Do. pref.					
8	4½	1	20	Cons. Bakeries	461	5½	5½	4½	5
1	½			Cons. Food Pr.		½			
x6	3			Do. (A)					
5	2			Cons. Indust.	65	3	2½	2	2½
4	4			Cons. Paper		4			
15	15			Cons. Press		15			
35	30	4	11.4	Cons. Sand. pf.		35			
75	25	2.50†	9.1	Cons. Smelters	1721	28	29½	25	27½
166	142	10	6.8	Consumers Gas	70	145½	147	145½	147
‡35	30			Cooksville Co.					
‡85	85			Do. pref.					
‡90	90			Corr. P. Box pf					
3½	2½			Cosgrave Brew.		2½			
5	3½			Cosmos Imp.		3½			
68	45	7	15.4	Do. pref.	10	45	45½	45½	45½
3	2			Crown Dom. Oil		2			
13	8	3		Crow's N. Coal		8			
1½	1½			David & Fre. B		1½			
x12½	12½			De Havilland					
15	10			Do. pref.		10			
x9	5			Disher Steel					
x10	10	1.50		Do. pref.					
6⅞	3¾			Distill-Seagram	1030	3¾	3¾	3¾	3¾
7	7			Dodge "A" pf.		7			
2	1½			Do. "B"		2			
194	135	12	8.7	Dominion Bank	35	135	138	137	137
27	9	2.50	27.2	Dom. Bridge	2016	9½	9½	9	9½
x40	40			Dom. Coal					
22½	21			Dom. Engineer		21			
65	30	5	16.7	Dom. Glass	132	30	30	30	30
112	100	7	7	Do. pref.		100			
5½	1¾	20c	11.4	Dom. Motors	160	1¾	1¾	1¾	1¾
7½	3½			Dom. Pr. Stubs		6½			
2½	1			Dom. St. & C B	690	1½	1½	1½	1½
20	13½	1.20+30c	9.8	Dom. Stores	1070	15	15½	13½	15
5	2			Dom. Tar & Ch.		2			
x95	79½	6.50		Do. pref.					
63½	39	5	12.5	Dom. Textile	1175	40	40	40	40
105	100	7	7	Do. pref.		100			
x12	10			Donnacona					
2	½			Dryden Paper	75	½	½	½	½
4	2			Duff. Paving		2			
49	28	7	23.3	Do. pref.		28			
20	20			East Koot. Pr.		20			
x97	94½			Do. pref.					
16	9½	1	10.5	East. Dairies	85	10	9½	9½	9½
x20	16	1		East. Steel					
x100	97	7		Do. pref.					
‡34	28½	2		East. Theatres					
‡85	80	7		Do. pref.					
x3½	3½			Easy Washer					
9	6	1.50	25	Economic Inv.	110	9	6½	6	6
x15	15			Edmonton D'y					
x80	78½	6.50		Do. pref.					
4	4			Enam. & Heat.		4			
19	11¾	3	25.5	Eng. Electric	5	13	11¾	11¾	11¾
2½	1½			Do. (B)		2			
6	6	2		Fam. Players		6			
7½	7½	2		Do. Vot. Tr.	10	7½	7½	7½	7½
10	9			Fanny Farmer		9			
29	25	2.40	9.6	Do. pref.		25			
‡83½	75			Firstbrook Box					
16½	5¾			Ford Motors A	2535	6¾	7½	5¾	7½
3½	2			For. Pr. Secs.		2			
9	6	50c	8.3	Foundation Co.		6			
1.25	.25			Fraser Cos.	10	.75	.25	.25	.25
50	50			Front. Brew.		50			
50	50			Do. pref.		50			
x8	5			Frost Steel					
x96½	85			Do. pref.					
2.00	.50			Gen. St. Wares	160	.90	.87	.75	.75
82	38	5	11.9	Goodyear Tire	125	48	42	38	40
93½	70	7	9.8	Do. pref.	115	75	74	70	71
x93½	93½			Gould Pumps p					
½	½			Gt. W. Saddlery		½			
x8	6			Do. pref.					
21	8	1.60	16	Gurd, Chas.	635	9	10	8	10
106	106	7	6.6	Do. pref.		106			
5	2			Gypsum, Lime.	651	2½	2½	2	2½
7	2			Ham. Bridge	25	2½	2½	2½	2½
60	60	6.50	10.8	Do. pref.		60			
10	6			Ham. Cot. pf.	40	6	6	6	6
2	1½			Ham. U. Theat.		2			
53	48	7	14	Do. pref.		50			
4	2			Hayes Wheel	10	3	2	2	2
‡95	80			Do. pref.					
‡50	50			Hillcrest Coll.					
‡91	91			Do. pref.					
2	1			Hinde & Dauch	25	1	1½	1½	1½
x75	75			Holt Renfrew					
‡96½	90	7		Do. pref.					
3½	½			Honey Dew		1			
40	20			Do. pref.		20			
4	2½			H. Smith Pap.	10	2½	2½	2½	2½
27	18			Do. pref.		18			
21½	15	2	12.5	Humberstone S	35	16	16	16	16
17¾	14	1.40	10	Hunt (A)		14			
x23½	18½	1.40		Do. (B)					
x150	143	8		Huron & E. Mt					
x29½	28			Do. 20% pd.					
11½	5½			Hydro Electric	1	7½	5½	5½	5½
193	138	12	8.6	Imperial Bank.	46	139	140	138	139
10⅞	7⅜	50c	6.2	Imperial Oil	12685	8	8⅛	7⅝	8
9⅛	6	35+17½c	8.1	Imperial Tob	1706	6½	6⅝	6	6½
x80	80	8		Inter. Coal, p.					
6	6	2a		Int. Hyd. E. A.		6			
97	90	7	7.8	Inter. Mill., pf.	16	90½	90	90	90
x80	80	6		Do. Series A					
11	4			Inter. Nickel	21064	4⅞	5⅝	4	5
4	4			Inter. Paints		4			
b2½	½			Int. Pa & Pr A		½			
b1	1			Do. (B)		1			
b⅜	⅜			Do. (C)		⅜			
b11	2½			Do. pref.	13000	3	3½	2½	2½
11⅞	9½	1	9.7	Inter. Pete.	5618	10	10½	9½	9⅞
x8	5			Inter. Power					
x78	56½			Do. pref.					
9⅞	2			Int. Util. (A).	5	3	2½	2½	2½
3	1			Do. (B)		1			
x40	40	1		Jam. Pub. Ser.					
x109	99½	7		Do. pref.					
4	3½			Kelvinator	25	3½	4	4	4
90	60	7	11.7	Do. pref.	23	60	60	60	60
7	4			Lake of Woods.		4			
x101	82			Do. pref.					
x140	140	8		Landed Bank.					
39	32½	3	9.3	Laura Secord	10	34	34	32½	32½
8	3			Lindsay, C. W.	40	3	2	2	2
60	43	6.50	15.1	Do. pref.	20	50	43	43	43
10¾	9	80c	8.8	Loblaw (A)	1182	9	9½	9	9
10½	8	80c	9.8	Do. (B)	255	8	8½	8	8½
‡2¾	2¾			Loew's, London					
x25	19			MacKin. Steel.					
x95	90	7		Do. pref.					
6½	6½			Manitoba Pr.		6½			
5	2			Maple Leaf		2½			
20½	8			Do. pref.		8			
x38	30			Marcus Loew's					
60	52			Do. pref.		52			
4½	2½			Massey-Harris	752	2½	2¾	2½	2½
10½	7	60c	7.3	McColl Fron.	3106	8	8½	7½	8
59	59	6	10.2	Do. pref.		59			
x45	35			Mexican L & P					
‡25	25			Mercury Mills.					
‡89	58½			Do. pref.					
x40½	40	2		Mitchell, J. S.					
105	105	7	6.7	Do. pref.		105			
8	4			Mitchell, Robt.	20	5	4	4	4
x1	1			Monarch Knit.					
30	23			Do. pref.		25			
75	75	6	8	Montreal Cot.		75			
x102	98	7		Do. pref.					
2½	2½			Montreal Exhib.		2½			
9¾	7			Mont. Is. Pr.	25	9¾	7	7	7
38	20½	1.50	5.5	Mont. L. & Pr.	17548	22	27	20½	26
x49½	48	3+25		Montreal Loan					
47	42½	3.20	7.5	Montreal Tele.		42½			
150	98	10	10.2	Mont. Trams.	30	100	98	98	98
10	5½	50c	9.8	Moore Corp.	50	5½	5½	5½	5½
93	65	7	10.8	Do. (A)		65			
97	72	7	9.7	Do. (B)		72			
‡10	10			Mt. Royal Hot.					
‡49	49			Do. pref.					
2	1½	10c		Muirheads		1½			
9	8	75c	8.3	Do. pref.		9			
24	9½	1.60	12.3	Nat. Brew.	6951	10	13	9½	12¾
25	25	1.75	7	Do. pref.	60	25	25	25	25
‡10	3			Nat. Brick					
3	3			Do. pref.		3			
x.50	.25			Nat. Distiller.					
12½	7	2	28.6	Nat. Steel Car.	708	7½	8	7	7½
255	245	14	5.7	National Tr.		245			
10	10	1	10	Niag. W. Weav.		10			
x36	22	3		Do. pref.					
2.50	1.75			North Star Oil		1.75			
4.00	4.00	35c	8.7	Do. pref.		4.00			
‡25	22½			N.S. Steel, pf.					
x285	125	8		Ogilvie Flour*					
105	97	7	7	Do. pref.		100			
9	6	40c	5.5	Ont. Eq. 10% p		7½			
102	100	6	6	Ontario Loan	5	102	100	100	100
x7	5			Ont. Silknit					
x16	13			Ont. Steel					
‡105	105	7		Do. pref.					
x1½	½			Orange Crush.					
45	18	7		Do. (A)	15	36	18	18	18
x5½	1			Do. (B)					
100	100	6	6	Ott. L. H. & P.*		100			
100	93	6.50	6.9	Do. pref.		93			
x25	25			Ott. Traction					
68	35	5	12.5	Page Hersey	395	39½	40	35	39
b11½	1½			Paramount	21200	1½	2½	1½	2½
x35	30			Paton Mfg.					
x94	92	7		Do. pref.					
.37	.25			Pelissiers	100	.25	.25	.25	.25
x30	25			Do. pref.					
28	20	3	15	Penmans	20	20	20	20	20
x101	93	6		Do. pref.					
19½	9	2	22.2	Photo Eng.	15	10	9	9	9
x40	10			Port Alfred, pf.					
x70	64	7		Porto Rico Pr p					
b9	3½			Postal Tele.					
36½	6	2	32	Power Corp.	1355	6	7	6	6½
90	68½	6	8.7	Do. pref.		68½			
2	2			Prairie C. Oil.		2			
10	5			Pressed Metals	5	5	6	6	6
x42¾	25			Price Bros.					
x99	70			Do. pref.					
29	9¼	1.50	13.6	Quebec Power.	870	10	12	9¼	12
x110	105	7		Real Estate L.					
2	1			Regent Knit.		1			
7	6			Reliance Grain		6½			
12	7	2	25.8	River. S. Mills	75	8	8	7	7¾
12	12	1.50	12.5	Robinson Cone		12			
4	2½			Rogers Majes.		2¾			
150	120	12	9.2	Royal Bank	747	125	130	121	130
x84	75			Ruddy, E. L. p					
33	33	2	6.1	Russell Motor		33			
70	45	7	15.5	Do. pref.	5	52	45	45	45
4	3			Sarnia Br. (A)	25	3	3	3	3
1	1			Do. (B)		1			
7	3			Serv. Station	391	3	3½	3	3
46	29	3	10	Do. pref.	78	30	30	29	29
33	7½	1	11.1	Shawinigan	6621	7½	9⅞	7½	9½
20	7			Sher.-Wms.		7½			
x121	112	7		Do. pref.					
17	5			Simon & Son.		5			
80	75	7	9.3	Do. pref.	30	75	75	75	75
55½	13			Simpson, Ltd.	10	16	16	15	16
x44½	36			Do. (A)					
x85½	24½			Do. (B)					
77	77	6	7.8	Simpson, R., p.		77			
26	13	1	7.7	So. Can. Pr.	70	14	13	13	13
90	60	6	8.6	Do. pref.	31	60	70	60	70
1.00	.50			St. Law. Corp.	20	.55	.50	.50	.50
4	1½			Do. (A)	1000	2	1½	1½	1½
12	9			St. Law. Flour.		9			
80	80	7		Do. pref.		80			
11	7			St. Law. Pap. p		7			
x30	4			St. Maur. V. p					
3	1½			St. Pav. & Mat.	5	1½	1½	1½	1½
46	28	4	14.3	Do. pref.	10	29	28	28	28
5	4			Stand. Chem.		5			
x1	1			Stanfords					
3½	1½			Stand. Steel	80	1½	1½	1½	1½
x35	30	3		Do. pref.					
24	10½	1.75	16	Steel of Can.	1416	11½	11⅞	10½	11⅞
29	20	1.75	8.3	Do. pref.	827	21	22	20	20
½	½			Sterling Coal		½			
18½	9⅝	1	8.3	Sup. Pete. ord.	790	12	13	9⅝	13
x31	14	1		Do. com.					
98	90	7	7.8	Do. pref.	10	90	90	90	90
42	36			Tamblyn		42			
100½	95	7	7.2	Do. pref.	27	97	97½	97½	97½
18	17	3.50	20.5	Thayers, pf.		17			
7	3			Tip Top Tailors		3			
67	67	7	10.4	Do. pref.		67			
x22	10			Tooke Bros.					
x67	48½			Do. pref.					
13	9			Tor. Elevators.	50	10	9½	9	9
210	170	12	7	Tor. Gen. Tr.	18	210	184	170	170
85	85	6	7	Toronto Mtge.	6		85	85	85
x8	1			Traymore					
x12½	7			Do. pref.					
120	105	7	6.7	Tuckett Tob. p	5	110	105	105	105
5	2			Twin City	10	2	5	5	5
b24½	8			Do. pref.					
37	23			Do. (notes)		23			
5	1¾			Union Gas	55	2	1¾	1¾	1¾
100	100	7	7	Union Trust		100			
x8	3			United Fuel					
15	10			Do. pref.		10			
24⅝	24⅝	2	8.1	United Secs.		24⅝			
11	5			Viau Biscuit		6			
75	60	7	11.7	Do. pref.		60			
12	7			Wabasso Cot.		7			
5½	2½			Walker-Good.	3195	2½	3⅜	2½	3⅜
12	9	25c	2.6	Do. pref.	54601	9¾	9½	9⅜	9⅜
3½	1½			Waterloo Mfg.		1½			
80	75	7	9	W. Koot. Pr. p.		80			
8	6			West. C. Flour		6			
x96	70	6.50		Do. pref.					
11	10			West. Grocers.		11			
54	43	7	12.9	Do. pref.		54			
x91	85			W. Steel Pr. p					
18½	16½	1	5.9	Weston Bisc.		16½			
70	65	7	10.4	Do. pref.	11	67	67	65	67
10	10			Windsor Hotel.		10			
38	38	3.25	8.5	Do. pref.		38			
8	2			Winnipeg Elec.	55	2	2½	2	2½
14	14			Do. pref.	10		14	14	14
x46	36			Woods Mfg. p.					

x Quotations for 1931. No sales recorded in 1932 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1930.
† Plus stock bonus.
§ 2% stock dividend paid June 1; 25c cash paid Mar. 1, 1932.
* Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Stocks With Minimum Prices

Ogilvie Milling c.	185	Price Bros.	25
Ottawa L. H. & Pr. c.	100	Do., pref.	70

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass, pref.	7%	1¾%	July 1	June 15
Andian National, c. (coupon 7)	$2	$1	June 14	May 31
Acadia Sugar pref.	30c	†20c	June 15	June 12
Assoc. Breweries	60c	15c	June 30	June 15
Do., pref.	7%	1¾%	July 1	June 15
Bank of Nova Scotia	16%	4%	July 2	June 15
Belding Corticelli, pref.	7%	1¾%	June 15	May 31
Bell Telephone	7%	1¾%	July 15	June 23
Biltmore Hats pfd.	7%	1¾%	June 15	May 15
B. A. Oil (coupon 9)	80c	20c	July 2	June 14
B.C. Power (A)	$2	50c	July 15	June 30
Brazilian Tr. pref.	6%	1½%	July 2	June 15
Burt, F. N.,	$2.40	60c	July 2	....
Do., pref.	$7	$1.75	July 2	....
Calgary Power	6%	1½%	July 2	June 15
Canada Cement pref.	6½%	1⅝%	June 30	May 31
Can. Northern Pr.,	80c	20c	July 25	June 30
Do., pref. 7%	7%	1¾%	July 15	June 30
Can. Permanent Mtge.	12%	3%	July 2	June 15
Canadian Oil, pref.	8%	2%	July 1	June 20
Canada Wire & Cable "A"	$4	$1	June 15	May 31
Do., pref.	$6.50	$1.62½	June 15	May 31
Canadian Canners 1st pfd.	6%	1½%	July 1	June 15
Do., 2nd pfd.	40c	10c	July 1	June 15
Canadian Cottons pfd.	6%	1½%	July 4	June 18
Can. General Elec.	$4	$1	July 1	June 15
Do., pfd	7%	1¾%	July 1	June 15
Can. Malting (coupon 18)	$1.50	37½c	June 15	May 31
Canada Trust	$10	$5	July 2	June 15
Canadian Car, pfd.	$1.75	44c	July 9	June 25
Can. Wirebound Box "A"	$1	25c	July 1	June 15
Confederation Life	$4	$1	June 30	June 25
Credit Foncier c.	fr. 340	fr. 340	June 1	Apr. 30
Can. Celanese pref.	7%	1¾%	June 30	June 15
Consumers Gas	10%	2½%	July 2	June 15
Dom. Foundries pfd.	...	$1.50	June 1	May 25
Dominion Textile	5%	1¼%	July 2	June 15
Do., pref.	7%	1¾%	July 15	June 30
Dome Mines	$1	25c+20c	July 20	June 30
Dominion Bank	12%	3%	July 2	June 20
Dominion Glass	5%	1¼%	July 2	June 15
Do., pref.	7%	1¾%	July 2	June 15
Dominion Stores	$1.20	30c	July 1	June 15
Eastern Steel	$1	50c	July 1	June 15
Do., pref.	$7	$1.75	July 1	June 15
Famous Players	$2	50c	June 25	June 2
Fanny Farmer, pref.	$2.40	60c	July 1	June 15
Goodyear Tire	$5	$1.25	July 2	June 15
Do., pref.	7%	1¾%	July 2	June 15
Halifax Fire Insur. c.	$1.20	60c	July 2	June 10
Hollinger Gold	65c	5c	June 16	June 2
Huron & Erie Mtge.	$8	$2	July 2	June 15
Hamilton Un. Theatres, pfd.	7%	1¾%	June 30	May 31
Inter. Nickel, pref.	7%	1¾%	Aug. 1	July 2
International Pete. (coupon 33)	$1	25c	June 15	May 31
Do., pref.	$1	25c	June 15	May 31
Inter. Proprietaries	$2.60	65c	June 15	May 25
Imperial Tobacco, com.	35c	8¾c	June 30	June 1
Jam. Public Ser. c.	$1	25c	July 2	June 15
Do., pref.	7%	1¾%	July 2	June 15
Lake Shore Mines	$2	50c	June 15	June 1
Do, extra	..	50c	June 15	June 1
Landed Bkg & Loan	$8	$2	July 2	June 15
Maritime Tel. & Tel. pfd.	70c	17½c	July 1	June 15
Do., com.	80c	20c	July 1	June 15
Montreal C. & D. Bank	$12	$3+1	July 2	June 15
Midland Loan & Sav.	10%	5+1%	July 2	June 15
Montreal Cottons	6%	1½%	June 15	May 31
Do., pref.	7%	1¾%	June 15	May 31
Mitchell, J. S., pref.	7%	1¾%	July 2	June 16
Montreal Loan & Mtge.	12%	3%	June 15	May 31
McColl Frontenac c.	60c	15c	June 15	May 14
McColl Frontenac pfd.	$6	$1.50	July 15	June 30
Muirheads, pref.	75c	25c	July 1	June 15
Nat. Breweries	$1.60	40c	July 2	June 15
Do., pref.	$1.75	44c	July 2	June 15
National Biscuit	$2.80	70c	July 15	June 17
New England Pr. pfd.	6%	1½%	July 1	June 10
Do., 2nd pfd.	$2	50c	July 1	June 10
Do., com.	$2	50c	July 11	June 30
Northern Ont. Power	$2	50c	July 25	June 30
Do., pref.,	6%	1½%	July 25	June 30
Noranda Mines	...	50c	June 30	June 15
N. S. Light & Pr. ord.	$4	$1	July 2	June 18
National Trust	12%	3%	July 2	June 20
Ottawa L. H. & Pr.	6%	1½%	June 30	June 15
Do., pref.	6½%	1⅝%	July 1	June 15
Ont. Loan & Deb.	12%	3%	July 2	June 15
Pioneer Gold Mines	12c	3c	July 2	June 11
Premier Gold	12c	3c	July 2	June 10
Porto Rico Power pfd.	7%	1¾%	July 2	June 15
Paton Mfg. pfd.	7%	1¾%	June 15	May 24
Petrol Oil & Gas	...	1c	June 20	June 15
Reliance Grain pfd.	6½%	1⅝%	June 15	May 31
Standard Steel "A" pref.	$3	75c	July 5	June 15
Sylvanite Gold M.	4c	2½c	June 30	May 31
Southern Can. Power pfd.	6%	1½%	July 15	June 20
Standard Chemical	50c	50c	June 27	May 27
Supertest Pete. pref. "A"	7%	1¾%	July 2	June 17
Do., pref. "B"	6%	1½%	July 2	June 17
Do., com. & ord. (coupon 20)	$1	25c	July 2	June 17
Tip Top Tailors pfd.	7%	1¾%	July 1	June 15
Toronto Mortgage	12%	3%	July 1	June 15
Tuckett Tobacco, pref.	7%	1¾%	July 15	June 30
United Amusement "A" & "B"	$2	50c	June 15	May 31
Viau Biscuit pfd.	7%	1¾%	July 2	June 22
Walker-Good. pfd.	$1	25c	June 15	May 27
Western Can. Flour, pfd.	6½%	1⅝%	June 15	May 31
Wright-Hargreaves	10c	2½+2½c	July 1	June 15

† Includes 5c. on account of arrears.

Dividends Passed or Deferred:

E. Kootenay Pr. pref. June 15, deferred. Last paid Mar. 15, 1932.

Fanny Farmer, c. July 1, deferred.

Canadian Canners, com., July 1, passed. Last paid 5c. April 1, 1932.

Cities Service, com. and stock dividend July 1, payment rescinded. Last paid com. 2½c. and ½% stock dividend June 1, 1932.

Brandram-Henderson, pref. July 1, passed. Last paid $1 Apr. 1, 1932.

Dividend Rate Reduced:

Canadian Canners, 2nd pref., 10c. July 1. Reduced from 68c. to 40c. per annum.

Bell Telephone 1¾%, July 15. Reduced from 8% to 7% per annum

Standard Chemical 50c. June 27. Reduced from $1 to 50c. per annum.

Burt, F. N., c. 60c. July 2. Reduced from $3 to $2.40 per annum.

Extra Dividends:

Lake Shore Mines 50c. June 15.
Dome Mines, 20c., July 20.
Sylvanite Gold Mines, ½ of 1% June 30.
Montreal City & D. Bank, $1 July 2.
Midland Loan & Savings 1% July 2.
Wright-Hargreaves 2½c. July 1.

Listed Bond Quotations

Week Ending June 6

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Low
Abitibi, 1st mtge.	5	1953	...	20	...	...	46	24½
Asbestos	5	1942	...	...	...	...	65½	49
Asbestos, 1st mtge.	6	1941	...	...	...	...	*20	14
Do., gen. mtge.	6	1956	...	9	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69½	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (Laur.)	5½	1958	...	6	...	...	7	6
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S. S. deb.	5	1943	...	...	...	...	‡98½	...
Cedars Rapids	5	1953	5.40	†100	95	...	100	95
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dom. Coal	5	1940	...	...	...	...	*98½	98
McNish	6	1948	...	†1.25	...	...	1.25	...
Mex. L. & Pr.	5	1940	...	...	...	...	*73½	70½
Mont. L.H.&P. debs.	3	1939	...	...	36½	36	40½	35
Mont. Tr. 1st mtge.	5	1941	5.17	...	...	...	93½	91
Mont. Tr. "A"	5	1955	7.47	72	...	...	80½	71½
Mont. Tr. G. & R. "B"	5	1955	6.75	72	...	...	79½	78½
Do., "C"	4½	1955	...	...	...	...	*85	84
Do., "D"	5	1955	6.62	72	...	...	81	78
N. S. Steel	5	1959	...	†44	...	...	*62½	59
Ont. Steel	6	1943	5.94	90	...	...	100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Can.	6	1940	5.67	100½	102½	...	102½	102
Wayagamack	6	1951	...	†41	...	...	*75	45
Winn. Elec.	5	1935	...	†85	...	...	*99½	98½
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Can.	6	1940	5.60	...	...	...	102½	...
Dominion Gov't. Bonds (Montreal)								
War Loan	5	1937	3.07	108.00	....	....	107.00	105.00
Victory Loan	5½	1933	4.98	100.60	100.70	100.25	101.25	100.25
Do.	5½	1934	5.40	100.00	100.15	100.00	100.85	99.25
Do.	5½	1937	4.14	105.15	105.15	....	108.15	104.00
Do., refund	4½	1940	5.55	92.00	....	....	94.60	91.50
Do., refund	5	1943	5.42	96.50	96.50	....	98.25	95.38
Do., refund	4½	1944	5.34	91.50	....	....	92.25	89.50
Do., refund	4½	1946	5.31	91.00	....	....	92.25	91.75
Do., renewal	5½	1932	3.05	100.20	100.60	....	100.60	100.25
Conversion Loan	4½	1956	5.25	88.75	....	....	91.25	88.25
Do.	4½	1957	5.39	88.75	88.00	....	90.50	88.00
Do.	4½	1958	5.30	89.00	88.75	88.50	92.75	88.50
Do.	4½	1959	5.15	88.00	....	....	92.25	89.00
Nat. Service Loan	5	1936	5.68	97.25	97.55	97.50	98.50	96.25
Do.	5	1941	5.46	96.00	96.75	96.62	98.25	95.00

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Foreign Exchange

	New York Funds High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Low (Premium) %
June 1	14	13 5-8	1-16	1-32
June 2	13 1-32	13 7-8	1-16	3-64
June 3	.....	.....	.....	.....
June 4	14 1-4	13 7-8	11-128	1-16
June 6	15	14 1-8	5-64	1-16
June 7	16 1-4	15 1-8	3-32	1-16

STERLING, FRANCS AND LIRE
(Close Demand in New York)

	Sterling	Francs	Lire
June 1	3.68 5-8	3.95	5.14 1-4
June 2	3.68 7-8	3.95	5.14 1-2
June 3	......	......	......
June 4	......	......	......
June 6	3.68 7-8	3.95	5.14 1-4
June 7	3.67	3.94 3-4	5.14 1-4

FOREIGN EXCHANGE
(Close Demand in Toronto)

Par		May 24	May 31	June 7
5.26	Italian	5.92	5.83½	5.97½
23.80	German	27.38½	26.88	27.54
13.90	Belgian	16.12	15.90	16.22
49.48	Japanese	36.55	37.23	38.34

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
June 7, 1932

	Bid	Asked
Industrial Bonds:		
Abitibi P. & P. 5% 1953	20.00	24.00
Acadia Sugar 6% 1946	74.00	79.00
Alta. Pac. Grain 6% 1946	74.00	78.00
Arnold Bros. 6% 1947	50.00	....
B. A. Oil 5% 1945	....	89.00
Canada Biscuit 6½% 1946	17.00	21.00
Canada Bread 6% 1941	83.50	86.00
Canada Cement 5½% 1947	65.00	69.50
Can. Crushed Stone 6½% 1944	61.00	....
Can. Machinery 6% 1941	52.00	....
Can. Steamship 6% 1941	....	21.00
Can. Bakeries 6½% 1945	....	60.00
Can. Copper Retin. 6% 1945	86.00	89.00
Can. Vickers 6% 1947	64.00	66.50
Cosmos Imp. Mills 6½% 1944	82.00	89.00
Davies, Wm., 6% 1942	73.50	76.00
Debenture & Sec. 4% 1936	40.00	....
Dom. Manufacturers 6% 1933	95.00	....
Dom. Tar & Chemical 6% 1949	....	68.00
Famous Players 6% 1948	66.00	71.00
Famous Players 6½% 1948	57.00	63.00
Goodyear Cotton 6% 1949	91.00	95.00
Great Lakes Paper 6% 1950	10.00	12.50
Gypsum, Lime & Alab. 5½% 1948	....	50.00
Howard Smith 5½% 1953	....	48.00
Inter City West. Baking 6½/50	....	45.00
Loew's Toronto 6% (Serial)	97.00	101.00
Massey Harris 5% 1947	56.00	59.50
McKinnon Industries 6½% 1945	93.00	96.00
Metropolitan Bldg. 7% 1944	....	80.00
Montreal Coke & Mfg. 5½% 1947	87.00	91.00
Montreal Drydock 6% 1948	50.00	55.00
Ont. Steel Products 6% 1943	89.00	92.00
Rolland Paper 5½% 1948	....	52.00
Rowntree Co. Ltd., 6% 1937	95.00	100.00
Simpsons Ltd., 6% 1949	59.00	63.00
Standard Clay Prod. 6% 1942	72.00	....
United Grain Growers 5/48	67.00	71.00
Western Grain 6% 1949	56.00	60.00
Public Utility Bonds:		
Bell Telephone 5% 1955	97.00	100.50
Bell Telephone 5% 1957	96.00	100.00
B. C. Power 5½% 1960	....	80.00
B. C. Telephone 5% 1960	79.50	83.00
Calgary Power 5% 1960	68.00	72.00
Can. Northern Pwr. 5% 1953	63.00	66.00
Cedar Rapids 5% 1953	96.00	100.00
Duke Price Power 6% 1966	51.00	59.00
Elect. Develop. 5% 1933	107.50	....
French Nat'l. Mail SS. 6% 1952	115.00	119.00
Gatineau Pwr. 5% 1956	67.00	70.00
Gatineau Pwr. 6% 1941 Apr. 1	49.00	....
Maclaren Quebec 5½% 1961	60.00	65.00
Montreal Isl. Pwr. 5½% 1957	80.00	84.00
Montreal LH&P 5% 1951	95.25	100.00
Montreal LH&P 5% 1970	95.50	99.50
Montreal Tram. 5% 1941 July	90.00	94.00
Montreal Tram. 5% 1955	71.00	75.00
Northwest. Utilities 7% 1938	75.00	80.00
Ont. Pwr. Service 5½% 1950	38.00	43.00
Ottawa Valley Pwr. 5½% 1970	80.00	83.50
Quebec Power 5% 1968	....	84.00
Rio Tramways 5% 1935	76.00	79.50
Shawinigan W&P 4½% 1970	60.00	65.00
Shawinigan W&P 5% 1970	70.00	74.00
Southern Can. Pwr. 5% 1955	....	90.00
West Kootenay Pwr. 5% 1956	....	73.00
Western Power 5% 1949	77.00	85.00
Government Provincial & Railway:		
C. N. R. 4½% 1951 Dom. Gtd.	87.00	89.00
C. N. R. 4½% 1957 Dom. Gtd.	85.75	87.50
C. P. R. 5% 1954	68.50	....
Dom. of Can. 5% 1941	95.75	97.00
G. T. P. 3% 1962 Dom. Gtd.	66.00	67.00
Ont. Hydro 4½% 1970 Ont. Gtd.	84.50	87.50
Prov. of Ontario 5% 1947	97.00	98.25

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers—Toronto
June 7, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.70	.80
Acadia Sugar pfd.	2.60	....
Acme Farmers Dairy pfd.	59.50	70.00
Agnew Surpass pfd.	50.00	58.00
Allens Lond. pfd.	29.50	....
Andian Nat. Corp.	16.00	19.25
B.C. Pulp & Paper com.	....	2.50
B.C. Pulp & Paper 7% pfd.	....	10.00
Can. & Dom. Sugar com.	16.50	17.50
Can. Mach. c.	2.00	4.00
Can. Mach. 7% pf.	20.00	26.00
Can. Packers c.	7.00	8.25
Can. Packers 7% pfd.	44.00	48.00
Can. Starch pfd.	62.00	68.00
Can. Tea pfd.	50.00	55.00
Can. Wire & Cable pfd. W.W.	70.00	73.00
Can. Celanese pfd.	46.00	47.50
Can. Industries c. "A"	44.00	47.00
Can. Industries c. "B"	44.00	47.00
Can. Industries 7% pfd.	96.50	98.00
Can. Westing.	33.00	38.00
Chase, A. W. Units	31.00	35.00
Claude Neon Units	28.75	31.50
Dodge Mfg. "B" c.	1.00	....
Dodge Mfg. "A" pfd.	7.25	....
Dom. Foundries & Steel c.	7.25	8.25
Dom. Foundries & Steel pfd.	66.00	....
Dom. Mfrs. pfd.	65.00	70.00
Dom. Tar pfd.	....	43.50
Dunlop Tire 7% pfd.	37.00	40.00
East. Car 6% pf.	39.00	....
Eastern Dairy pf.	64.00	67.00
Fed. Grain pfd.	24.00	27.50
Goderich Elevator & Transit	12.25	13.00
Greening Wire 7% pfd.	66.00	74.00
Guardian Rlty. pf.	....	30.00
Guelph Carpet pf.	70.00	75.00
Harding Carpet pf.	....	48.00
Inter City Baking com.	38.00	45.00
Inter. Proprietaries "A"	17.00	20.00
Langleys pfd.	....	50.00
Loew's London c.	....	1.50
Loew's Lond. pf.	3.00	4.00
Massey Harris pf.	7.00	8.00
Medical Arts pfd.	90.00	....
Morrow Screw Nut 7% pfd.	93.00	98.00
Mt. Royal Htl. c.	.75	1.25
Mt. Royal Htl. 6% pfd.	9.00	10.25
Nat. Grocers c.	1.00	1.50
Nat. Grocers 2nd 7% pfd.	30.00	34.00
Para. Oshawa c.	9.00	....
Prov. Paper pfd.	....	45.00
Rolland Paper pfd. W.W.	30.00	35.00
Standard Clay Products c.	20.00	25.00
Standard Fuel pfd. bonus	50.00	53.00
Supertest Petroleum "B" pfd.	15.00	20.00
Toronto Carpet c.	....	98.00
Toronto Carpet 8% pfd.	70.00	90.00
Toronto Elevators 7% pfd.	65.00	67.00
Toronto Housing com.	20.00	30.00
Un. Amuse. "A"	16.00	19.00
Western Grain pf.	10.00	14.00
Willards Choc. pf.	....	27.00
Insurance Stocks:		
Br. Amer. Assce.	28.25	....
Can. Life Assur.	350.00	400.00
Canada Nat. Fire	13.00	16.50

Insurance Stocks:	Bid	Asked
Can. Fire Ins.	67.50	75.50
Capital Life 20% pd.	10.00	17.00
Confederation Life 20% pd.	....	140.00
Continental Life 20% pd.	50.00	58.00
Crown Life Ins.	95.00	....
Dominion Fire	80.00	95.00
Dom. Life 50% pd.	270.00	305.00
Dom. of Can. Gen. Ins.	....	150.00
Excelsior Life 30% pd.	75.00	80.00
Fidelity Ins. of Canada	....	63.00
Great West Life	190.00	215.00
Guarantee Co. of N. A.	225.00	275.00
Halifax Fire	7.00	10.00
Imperial Life	270.00	305.00
Manufac. Life	....	240.00
Monarch Life 10% pd.	15.00	20.00
Nat. Life 25% pd.	85.00	95.00
Saskatchewan Life 10% pd.	....	15.00
Sovereign Life 25% pd.	15.00	19.50
Sun Life Assur.	150.00	200.00
Western Assur. c.	13.00	19.00
Western Life 20% pd.	6.00	12.00
Trust & Loan Stocks:		
Brit. Mtge. & Tr.	175.00	....
Can. Gen. Investments Ltd.	2.25	3.25
Chartered Trust	65.00	75.00
Deb. & Sec. com.	....	27.00
Deb. & Sec. pfd.	....	40.00
Eastern Can. Sav. & Loan	110.00	130.00
Eastern Trust	140.00	155.00
Guelph & Ont. Inv. par $50	48.00	54.00
Investment Foundation Units	18.00	20.00
Lambton Loan & Savings	60.00	70.00
London & Western Trust	88.00	92.00
Midland Loan & Savings	16.00	....
Mtge. Disct. pfd.	....	3.50
Mutual Fin. pfd.	....	3.60
Mutual Fin. com.	....	3.60
Premier Trust	77.00	85.00
Security Loan & Savings	95.00	105.00
Sherbrooke Trust	90.00	110.00
Sterling Trust	....	75.00
Traders Fin. c.	....	3.00
Traders Fin. pfd.	20.00	25.00
Trusts & Guar.	....	54.00
Victoria Trust & Savings	170.00	....
Waterloo Trust & Savings	100.00	110.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	77.00	82.00
Calgary Pwr. pfd.	53.00	55.00
Can. Light & Pwr. com.	10.25	17.75
Can. West. Nat. Gas LH&P c.	18.00	23.00
Can. West. Nat. Gas LH&P pfd.	55.00	60.50
Great Lakes Pwr. pfd.	....	67.00
N.B. Pwr. 1st pf.	....	50.50
N.B. Telephone c.	6.50	8.50
N.S. L&P pfd.	50.00	64.00
Ottawa LH&P 6½% pfd.	....	90.00

Recent London Quotations:

Brewer Distillers	1s. 3d.
Can. & For. Sec.	3s. 9d.
Can. West. Lumber	1s. 3d.
Hudson's Bay	15s.
Do., 5%	60s.
Internat. Holdings	3½
Nld. Pr. & Pap. deb. stock "B"	85
Trust & Loan of Can.	1s. 10½d.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co. Limited
Canada Permanent Bldg., Toronto, Ontario
June 6, 1932

Provinces:	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
*Alberta	4½	1 Oct., 1958	1 Oct.	78.00	6.20
Alberta	5	1 July, 1943	1 July	89.10	6.35
Alberta	6	1 Apr., 1936	1 Oct.	96.00	7.15
*British Columbia	4½	1 Oct., 1953	1 Oct.	82.00	6.00
*British Columbia	5	15 Jan., 1948	15 July	89.80	6.00
British Columbia	6	15 Aug., 1941	15 Aug.	96.50	6.52
Manitoba	4	1 July, 1947	1 July	75.80	6.50
*Manitoba	5	2 Dec., 1959	2 Dec.	86.00	6.05
Manitoba	5	15 June, 1943	15 June	88.00	6.50
*New Brunswick	4	1 June, 1948	1 Dec.	84.65	5.50
*New Brunswick	4½	15 June, 1936	15 June	97.05	5.50
New Brunswick	6	1 Jan., 1936	1 July	100.90	5.75
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	89.25	5.50
Nova Scotia	5	1 May, 1943	1 Nov.	93.95	5.75
*Nova Scotia	6	1 Nov., 1936	1 Nov.	101.75	5.55
*Ontario	4½	1 Sep., 1944	1 Sept.	94.00	5.15
Ontario	5	15 Oct., 1948	15 Oct.	93.50	5.60
Ontario	6	2 May, 1936	2 Nov.	100.50	5.85
P. E. I.	4	1 Apr., 1939	1 Oct.	88.70	6.00
P. E. I.	4½	1 Oct., 1944	1 Oct.	86.95	6.00
*Quebec	4½	1 May, 1961	1 Nov.	93.00	4.70
Saskatchewan	4½	1 Oct., 1944	1 Oct.	80.50	6.85
Saskatchewan	5	1 Oct., 1950	1 Oct.	85.00	6.32
Saskatchewan	6	1 Feb., 1936	1 Aug.	96.00	7.15
Cities					
*Montreal	5	1 Sep., 1963	1 Sept.	92.55	5.50
*Toronto	4½	1 Jan., 1955	1 July	87.05	5.50
*Vancouver	5	15 Jan., 1970	15 July	83.80	6.10
Winnipeg	5	1 Mar., 1944	1 Sept.	87.65	6.50
*Edmonton	5½	1 Apr., 1947	1 Oct.	85.40	7.10
Calgary	5	1 Jan., 1943	1 July	84.15	7.10
Halifax	6	1 July, 1951	1 July	100.00	6.00
Saint John	5	15 Dec., 1950	15 June	88.75	6.00
Regina	4½	1 July, 1950	1 July	72.25	7.25
Victoria	5	21 July, 1945	21 July	86.65	6.50
Quebec	5	1 June, 1948	1 Dec.	94.60	5.50

*New York payment.

Beaverbrook Crusades To Strengthen Position Of Price Bros. and Co.

Rehabilitation Plan is Outlined at Annual Meeting

NEED CO-OPERATION

Management Changed; New Directors; New Security; Price Family Still in Control

From Our Own Correspondent

MONTREAL.—Changes in management but no change in control; postponement of sinking fund payments on the funded debt for a period of 5 years; issuance of income debentures to the company's creditors; deferment for 5 years of dividends on the cumulative preferred stock; a new and smaller board of directors, and the placing of larger orders for newsprint with the company, are the highlights of a plan of reorganization submitted to the shareholders by Lord Beaverbrook at the annual meeting of Price Bros. & Co.

The entry of Lord Beaverbrook as a dominant factor in the Price Bros. picture was forecast in The Financial Post last week. It was shown then that the affairs of the company—which had been in the hands of the Price family for over 125 years—had become heavily involved and that substantial assistance was needed in order to place the organization on a stronger basis.

Sign of Friendship

Giving his friendship with the late Sir William Price and "sympathy for the young Price boys" as his reasons for taking an active part in the reorganization of Price Bros. & Co., Lord Beaverbrook detailed in full to the shareholders the steps necessary to put the company back on its feet. At the same time, he stated that the company would continue as an independent operator and would not be part of the proposed merger of Canadian newsprint companies.

New Officers Elected

The board of directors elected at the meeting was as follows: A. J. Brown, K.C.; Allan A. Aitken (brother of Lord Beaverbrook); Major Andrew P. Holt, Sir William Stavert, Sir Ian Hamilton Benn, Sir Keith W. Price, Victor M. Drury, William P. Creagh, Claude S. Richardson, J. Angus Ogilvie, F. Campbell Cope, John G. Porteous, Alfred H. Lang, George T. Hardie and Herbert W. Jackson. A. J. Brown, K.C., acted as chairman.

At a meeting of directors following the shareholders' meeting, the following officers were elected; Allan Aitken, brother of Lord Beaverbrook, president; Major Andrew Holt, son of Sir Herbert Holt, vice-president, and G. B. Elwin secretary. The resignation of Col. John H. Price, president, J. Leonard Apedaile, vice-president, and H. E. Price, secretary, had already been submitted and accepted.

Lord Beaverbrook stated that on the approval of the plan, the present board of fifteen would be reduced to seven and indicated his willingness to serve on the board as an expression of his confidence in the company's prospect. Col. John H. Price would continue as operating vice-president of the company.

Beaverbrook Outlines Plan

Inasmuch as Lord Beaverbrook's address to the shareholders covers the troubles leading up to the present position of the company and outlines the steps which it is proposed to take to put it in a healthier state. His remarks are reprinted:

I came here at the request of Mr. Price to help him in readjusting the company's affairs. I have come with the full knowledge of the circumstances that have led up to the situation which Mr. Price has discussed with you today.

I took part with Sir William Price in the affairs of the company when he undertook the newsprint operations in 1910. I have the same interest today that I had at that time. I am also one of the largest customers of the company, taking one-quarter of the output of the mills during the months of March and April.

Asked for Support

When Mr. Price asked me to come, I communicated with banks and other institutions interested in Price Brothers. I asked these institutions, if I came to the aid of Mr. Price, would they be prepared to support me, and would they be prepared to help me to carry through an effective plan of reconstruction that would enable us to make the company strong and resourceful. I have received assurances from the banks. The Bank of Montreal, the Royal Bank and the Guarantee Trust Company gave me proxies to represent them. In giving me these proxies, the banks gave me also approval of a plan which I will submit to the various security holders of the company.

No Change in Control

There is, however, no change in the control of this company. The control is just where it was. It has been stated in some quarters that I would take over control of the company. The control of the company is just where it was 25 years ago.

Particulars of Plan

That plan is roughly divided into five headings—

First, we wish to deal with the first mortgage bonds. We will ask of those first mortgage bondholders that they should relinquish their sinking fund under the mortgage for a period of five years. We will ask that the first mortgage bondholders forego any claim that may be existing at this moment under which a default under the mortgage could be declared. There are clauses in the mortgage providing that the company must maintain its liquid assets in relation to its liabilities at 125 per cent.

If we should have defaulted in that respect, we ask the trustee to waive it.

That concludes the first mortgage bondholders concessions which we will ask them to carry through.

Price Realty Situation

As to Price House—the company, I think, is called Price Realty Co., and Price Brothers and Co., owns all the ordinary shares. There is a mortgage outstanding amounting to $750,000. That mortgage is not guaranteed as to principal and interest. The bonds issued under that mortgage are not guaranteed either as to principal and interest by Price Brothers and Co. But there is an obligation by Price Brothers and Co. to take offices in this building for an annual rental which will provide for the payment of the interest and the sinking fund. We will ask the holders of these Price Realty bonds to convert their bonds into 6 per cent income debentures of Price Brothers and Co. for 15 years. It would be provided as to these debentures that if the company earns the necessary money to pay the interest or any part of it forthwith it would be an obligation and duty to pay. We will also provide for retaining to the Price Realty Co. bondholders their security, namely, Price House, so that they will not be relinquishing anything they now possess, except the provisions of the lease under which Price Brothers and Co. pay a sum in rent sufficient to provide interest and sinking fund under Price Realty bonds.

These debentures will be Price Brothers debentures, 15 year, 6 per cent income debentures, with the provision that if the interest is earned or any part of the interest the company must pay it out. These debentures will be part of a total authorized issue of five millions.

Debentures for Creditors

Creditors of the company, amounting in all to one million, two hundred thousand dollars, more or less, will be asked to take these income debentures in settlement of their claims. By that means we will relieve ourselves for the time being of pressing liabilities. In due course we will have to carry out our obligations under these liabilities because we will have to pay the income debentures at maturity, and if we earn money we will have to pay interest on the income debentures during their life.

I am perfectly confident that we will be successful in persuading creditors to the extent of $1,200,000, more or less—slightly less I think. We will be successful in persuading them to take these debentures, provided, of course, the reorganization is carried out.

The creditors will not be so foolish to take their debentures if the first mortgage bondholders would not relinquish their right to the sinking fund. But then, it is obvious that the first mortgage bondholders are going to relinquish their right under the sinking fund because so many of the bondholders are acquiescing in the plan.

Alter Power Contract

Having dealt with the sinking fund under first mortgage issue, the Price Realty bondholders and the creditors, I now wish to discuss the power contract. The company is obliged to take a million dollars' worth of power annually from Duke Price & Co.; that is, one million dollars in Canadian money. It is true we pay in American funds, and therefore the power bill is less than a million dollars in American money. That charge on the company amounts to a million dollars. We are asking Duke Price & Co. to allow us to pay our power bills for a time in the 6 per cent income debentures of the company. What position Duke Price & Co. will take up, I cannot say. They have their own situation to consider.

I have had the opportunity of submitting the plan to Arthur Davis and Edward Davis, the president of Duke Price & Co. I have received sympathetic consideration.

Now, we want some concessions from the preference holders too; not very much, but we want the preference holders to say they will forego their cumulative rights to dividends for a period of five years only, namely, during the suspension of the sinking fund of the first mortgage bonds.

It may be we will have to make some adjustment between the common shares and the preferred shares. It may be that the common shareholders will have to give up something to the preferred shares to compensate them for the cancellation of five years of cumulative rights.

But whether that re-adjustment between the owners of the two classes of shares is carried out on one basis or another really makes very little difference in maintaining the credit structure of Price Brothers and Co. The real necessity is for dealing with the first mortgage bonds sinking fund, the bonds of Price Realty Co., $1,200,000 of creditors, and the power contract.

Reduce Capital Stock

I will not dwell at any length upon the proposals with reference to preference shares and common shares, or endeavor to determine just what will be the balance between these two classes. Of course there will be a reduction in common capital—that goes without saying. It is the duty of the shareholders to secure a reduction of the common capital. By doing so, we are relieved of a certain amount of taxation, and that is an advantage. Also, we bring the capital structure more nearly into relation to the real value of our assets. Should the plan be carried through, we will have reconstructed a strong and independent newsprint manufacturing company.

I declare for my part that I have no intention of entering into any amalgamation; not at all. I am for a strong, independent, resourceful Price Brothers, a credit to the province in the future as it has been in the past.

Willing to Help

I have informed Mr. Price and other large shareholders of the company, Mr. Brown and the directors, that I am quite willing to be the chairman of the necessary committees of debenture holders and even shareholders for the purpose of carrying through this plan of reconstruction.

I am quite willing to give all the time that may be needed, to put all the effort into the plan that may be required of me. I will give these services gladly without any compensation whatsoever. I undertake it most willingly. I undertake it not only on account of my old association with and affection for Sir William Price, but also on account of my sympathy for the young Price boys.

I have examined very closely and critically the whole position of the company. I have gone over the accounts, I have gone over the contracts, considered the future, tried with all my might to peer into the prospect in the months to come. After the reconstruction has been carried through (and I feel very confident it will be carried through) if the shareholders then wish me to join the board of directors, so certain I am of the future of the company, I will gladly accept.

Propose New Directors

Now, I am going to propose that we elect new directors. I do so with the approval of the present control; that is, the Price family and those who are concerned with the Price family.

In proposing that list of new directors, I want to make it perfectly plain that I am also proposing that Mr. J. H. Price should be the vice-president, an operating vice-president of the company.

I am making that proposal because I have confidence in Mr. J. H. Price's ability. I have spent the last ten days in constant contact with him. He is a man of great ability and, if I may say so, without any impertinence, more than I expected—a good bit more. I am responsible for putting forward the suggestion that Mr. Price should be an operating vice-president of the company.

Quebec Investment Co.

As to the Quebec Investment Company and this loan of $1,273,500. Again, I have looked into the position very very closely, and, I am quite convinced that we cannot go to the Quebec Investment today and say "Let us have this $1,273,000," because these are not times in which a creditor can go to his debtor and exact from him repayment on demand.

Advances to the Quebec Investment Co. were made by the Price Brothers and Co. On March 7, 1931, $750,000 was advanced by Price Brothers and Co. to the Quebec Investment Co. On March 9, 1931, two days later, $350,000 was advanced by Price Brothers to the Quebec Investment Co. These two sums make $1,100,000.

As to the Quebec Investment Co.'s debt to Price Brothers, I hope to make an arrangement with those interested by which we will have a prospect of recovering this amount. We will recover it under the arrangement I hope to carry through, assuming I am successful.

I have not yet had the opportunity of resolving the arrangement into definite form. I am very hopeful. I may go so far as to say—we will recover providing we attain in the future the results we have the right to expect. But, of course, the recovery of the money will depend on the prosperity of Price Brothers and Co.

If we are successful in bringing about a new era of prosperity for the company then rest assured that our position in relation to the Quebec Investment Co. must improve as the prosperity of Price Brothers and Co.

The outlook is difficult, even dangerous, but there are some favorable situations. The mill output shows a steady improvement. More orders are in prospect.

I. B. A. Convention Details Complete

The programme for the annual convention of the Investment Bankers Association of Canada to be held in Lucerne-in-Quebec from June 23 to 25, follows the general outline of previous conventions with Thursday devoted to committee meetings; Friday to the annual meeting, recreation and the annual dinner, while on Saturday the annual golf tournament of the association will be held. The speaker for the annual dinner is not definitely settled as yet.

Members going from Toronto will leave by C. P. R. at 10.59 Wednesday evening while members from Montreal leave at 4.35 p.m. Committees meeting on Thursday include those on Federal Legislation, Provincial Government Legislation, Municipal Administration and Finance, Business Conduct, Corporation Finance and Publicity.

Week's Canadian Quotations—Continued

Winnipeg Grain Prices

Week to June 7

Crop Year from Aug. 14 High	Low		Open June 1	High for week	Low for week	Close June 7
		Wheat				
.77¾	.53	July	.63	.63½	.53	.56½
.72¾	.56	Oct.	.65	.65¾	.56	.57¾
.66⅞	.57½	Dec.	.66⅞	.66⅞	.57½	.59½
		Oats				
.37½	.30½	July	.34½	.35½	.33¾	.34
.35⅞	.28⅞	Oct.	.30½	.30½	.28⅞	.28½
		Barley				
.45½	.36½	July	.39½	.39½	.36½	.37½
.43½	.31	Oct.	.35	.35	.31	.31½
		Flax				
1.16½	.70	July	.83	.83½	.70	.73½
1.09½	.73	Oct.	.86	.86	.73	.76½
.78½	.77½	Dec.	...	.78½	.77½	.78
		Rye				
.59	.33	July	.39	.39¾	.33	.33¾
.55¾	.35½	Oct.	.40½	.40⅝	.35½	.35¾
.37⅞	.36	Dec.	...	.37⅞	.36	.37

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo

Week to June 7

High *to date	Low		Close May 31	High for week	Low for week	Close June 7
		Wheat				
.66½	.51	July	.58	.56¾	.51	.51½
.66½	.53⅜	Oct.	.60	.59	.53⅜	.53⅜

*Since trading opened March 3, 1931.

Winnipeg Stock Exchange

June 2, 1932

	Bid	Ask		Bid	Ask
Beaver Fire	..	115	Monarch Life	..	22
Beaver Lumb. pfd.	..	80	N. Can. Mtge. pfd.	..	15
Can. Amer. Tr. sh.	..	2¾	North. Trust	..	24
Can. Fire Ins.	68	..	Un. Gr. Growers	10	..
City Dairy (Wpg.) pref. 7%	..	55	Reliance Gr. pf.	..	52
Do., pref. 8%	..	80	West Breweries	..	2
Corp. Steel c.	..	5	Fund. Tr. shs. 'A'	..	2¾
Cres.-Cream. pfd.	..	70	Do., "B"	..	2¾
			Grouped Inc. shs.	..	2.35

Mining Stock Quotations

Week Ending June 6.

Val. Par	High Range 1932	Low	Company	Sales	(or last) May 30 Close	week for High	week for Low	June 6 Close
1	.05½	.04	Abana	......	.04	.....	.....	.....
1	.02	.00½	Aconda	......	.00½	.....	.....	.....
No	.15	.15	Aldermac	......	.15	.....	.....	.....
1	.09	.00½	Alexandria	16,500	.01½	.01½	.01½	.01½
1	.01½	.00½	Algonquin	......	.00½	.....	.....	.....
1	.01	.00¾	Amity Copper	......	.00¾	.....	.....	.....
No	.22	.06	Amulet	8,100	.06½	.10	.06	.10
1	.00½	.00½	Apex	......	.00½	.....	.....	.....
1	.02½	.01	Area	......	.01½	.....	.....	.....
No	.03	.00½	Arno	11,000	.01	.01	.00¾	.01
1	.02½	.02	Astoria Rouyn	......	.02½	.....	.....	.....
1	.07	.03	Bagamac	......	.05	.....	.....	.....
1	.00¾	.00½	Baldwin	......	.00½	.....	.....	.....
1	.12	.04	Barry Holl. new	8,300	.04½	.05	.04	.04
No	1.00	.30	Base Metals	......	.30	.....	.....	.....
No	.12	.01	Bidgood	22,500	.02	.02	.01½	.02
1	.16½	.04½	Big Missouri	2,475	.05	.05	.04½	.05
1	.05½	.02	Bobjo	11,700	.02½	.03	.02½	.03
1	.08	.02½	Brett Trethewey	2,700	.04½	.05	.04½	.05
No	.03	.00½	Brownlee	4,000	.01½	.01½	.00¾	.01½
1	.00½	.00½	Buckingham	......	.00½	.....	.....	.....
No	.36	.02	Buffalo Can.	......	.04½	.....	.....	.....
No	.02½	.01	Bunker Hill	8,000	.01½	.02	.01½	.01½
5s	.50	.10	B'Wana McKubwa	......	.10	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	......	.01	.....	.....	.....
No	.03	.02	Canam Metals	......	.02	.....	.....	.....
1	.04	.01½	Can. Kirkland	......	.02½	.....	.....	.....
1	.09	.00½	Canusa	2,500	.01½	.01½	.00¾	.00¾
No	.02½	.00½	Capital Rouyn	......	.00½	.....	.....	.....
1	.07	.02½	Cartier Malartic	......	.06	.....	.....	.....
1	.15	.09	Castle Trethewey	3,500	.10	.12	.11	.12
1	.08	.04	Cen. Manitoba	......	.04	.....	.....	.....
1	.07½	.02	Cen. Patricia	1,000	.02½	.02½	.02½	.02½
No	.07½	.01½	Chibougamau Pros.	1,000	.02	.02	.01½	.01½
No	.02	.00¾	Clericy	5,000	.00¾	.00¾	.00¾	.00¾
5	3.00	.50	Coast Copper	......	.50	.....	.....	.....
1	.02	.00½	Cobalt Contact	1,000	.01	.00¾	.00¾	.00¾
No	.16	.15	Cobuc	......	.15½	.....	.....	.....
1	.08	.03½	Columario	1,900	.03½	.04	.03½	.04
5	.80	.75	Coniagas	......	.80	.....	.....	.....
No	.40	.28	Coniaurum	......	.32	.....	.....	.....
25	75.00	25.00	Cons. Smelters	1,721	28.00	29.50	25.00	27.50
No	12.50	9.00	Dome Mines	5,105	10.50	10.75	9.90	10.75
No	.10	.02	Dom. Explorers	3,500	.03	.02½	.02	.02½
1	.01	.00½	Don Rouyn	......	.00½	.....	.....	.....
1	1.55	.76	Eldorado	26,250	.85	.95	.76	.90
No	1.05	.48	Falconbridge	2,050	.50	.55	.48	.55
1	.04	.01	Federal	......	.01	.....	.....	.....
No	.00½	.00½	Flintoba	......	.00½	.....	.....	.....
No	.07	.00½	Gem. Lake	500	.01½	.01½	.01½	.01½
1	.02½	.00½	Goldale	......	.00¾	.....	.....	.....
10	.11	.05½	Goldfield	......	.07	.....	.....	.....
1	.00½	.00½	Gold Hill	......	.00½	.....	.....	.....
1	.04	.02½	Goodfish	......	.03	.....	.....	.....
1	.01	.00½	Graham	......	.01	.....	.....	.....
1	1.25	.50	Granada	2,550	.55	.56½	.50	.56½
1	.22	.09	Grozelle	......	.09	.....	.....	.....
1	.02½	.01	Harker	......	.01	.....	.....	.....
1	.01½	.00½	Hilltop	5,000	.00¾	.00¾	.00¾	.00¾
5	5.70	4.25	Hollinger	6,021	4.50	4.50	4.31	4.35
1	.36	.26	Howey Gold	7,070	.32	.33½	.31	.33
No	2.78	.92	Hudson Bay	3,390	1.10	2.00	1.05	1.65
No	.20	.15	Huronian	......	.15	.....	.....	.....
No	11.00	4.00	Int. Nickel	21,064	4.37	5.37	4.00	5.00
1	.01½	.00½	Jackson Manion	......	.00½	.....	.....	.....
1	.23	.15	Keeley	100	.21	.20	.20	.20
1	.02½	.01	Keora Mines	......	.01	.....	.....	.....
1	.70	.40	Kirk. Hud. Bay	2,300	.50½	.52	.51	.51
1	.02½	.00¾	Kirk. Hunton	......	.01	.....	.....	.....
1	.55	.19	Kirkland Lake	10,450	.21	.24	.19	.22
1	.03½	.00½	Kirkland Premier	1,500	.01	.00½	.00½	.00½
1	.13	.07	Kirk. Townsite	1,000	.07½	.07½	.07	.07
20c	.01½	.00½	Koot. Florence	1,500	.00½	.00¾	.00½	.00½
1	.01½	.00¾	La Rose	......	.01½	.....	.....	.....
1	.41	.14	Lakeland	500	.14	.17	.17	.17
1	29.50	24.90	Lake Shore	1,828	26.00	26.00	24.90	25.25
1	.00½	.00½	Laval	......	.00½	.....	.....	.....
1	.06¾	.01½	Lebel Oro	......	.03	.....	.....	.....
1	.41	.13	Macassa	16,800	.17½	.24	.13	.24
1	.07	.02½	Malartic	7,000	.03	.03	.02½	.03
1	.00¾	.00½	Malrobic	......	.00½	.....	.....	.....
No	.06	.02	Mandy	1,000	.02¾	.02½	.02½	.02½
No	.01½	.00½	Manitoba Basin	2,000	.00¾	.00½	.00½	.00½
5	19.50	14.70	McIntyre	2,810	15.00	16.75	14.70	15.75
1	.35	.25	McKinley	......	.30	.....	.....	.....
No	.09½	.02½	McLeod-River	28,000	.02½	.02¾	.02½	.02½
No	1.43	.58	Mining Corp.	2,215	.75	.82	.65	.82
1	.08½	.01½	Moffatt Hall	17,500	.01½	.01½	.01½	.01½
1	.02¾	.02½	Moneta	......	.02½	.....	.....	.....
1	.45	.19½	Moss	16,675	.25	.27	.19½	.25
1	.02½	.01	Murphy	......	.01	.....	.....	.....
	.05	.05	Nevada	......	.05	.....	.....	.....
No	.03	.01	Newbec	2,000	.01½	.01½	.01½	.01½
5	1.15	.50	Nipissing	1,100	.55	.55	.55	.55
No	19.80	12.50	Noranda	13,947	13.25	14.50	12.50	13.95
No	.24	.11	Nor. Canada	......	.11	.....	.....	.....
No	.01	.00½	Old Colony	......	.00½	.....	.....	.....
1	.08	.05	Osisko	......	.05	.....	.....	.....
1	.10	.07	Parkhill	......	.07½	.....	.....	.....
1	.13½	.11	Patricia Dent	......	.13	.....	.....	.....
1	.02	.01½	Pawnee Kirk	1,000	.01½	.01½	.01½	.01½
No	1.15	.35	Pend Oreille	1,000	.35	.45	.45	.45
1	.01½	.00½	Peterson Cobalt	......	.00½	.....	.....	.....
1	4.10	3.00	Pioneer Gold B. C.	5,600	3.30	3.60	3.30	3.60
1	.00¾	.00½	Porcupine Crown	......	.00¾	.....	.....	.....
1	.02	.00½	Potter Doal	......	.00¾	.....	.....	.....
1	.62	.32	Premier Gold	2,400	.41	.43	.42	.42½
1	.00¾	.00¾	Preston E. Dome	......	.00¾	.....	.....	.....
No	.30	.15	Prospectors Air's	1,000	.21	.21	.21	.21
No	1.00	1.00	Quebec Pros.	......	1.00	.....	.....	.....
No	.06	.03	Quemont	......	.04	.....	.....	.....
1	.02½	.00½	Ribago	8,700	.00¾	.01	.00½	.00½
1	.02½	.01	Ritchie	3,000	.01	.01½	.01	.01½
1	.01½	.00½	Robb Montbray	......	.00½	.....	.....	.....
1	.42	.25	San Antonio	2,000	.35	.38	.30	.38
1	.09	.07½	Seven Troughs	......	.07½	.....	.....	.....
1	.65	.18	Sherritt Gordon	9,275	.20	.21	.18	.21
1	.70	.50	Siscoe	47,370	.57½	.60	.55	.60
1	.03	.00½	South Keora	......	.00½	.....	.....	.....
No	.02½	.00¾	Stadacona	......	.00¾	.....	.....	.....
1	.17	.06	St. Anthony	......	.07	.....	.....	.....
No	.45	.16	Sudbury Basin	800	.20	.20	.16	.20
1	.01½	.00½	Sudbury Contact	......	.00½	.....	.....	.....
1	.01	.00½	Sudbury Mines	......	.00½	.....	.....	.....
1	.12	.07	Sullivan	2,000	.08	.07½	.07½	.07½

Par Val.	Range 1932 High	Low	Company	Sales	Close May 30 (or last)	High for week	Low for week	Close June 6
1	.65	.39	Sylvanite	7,900	.45	.45	.39	.44
1	.07	.01½	Tashota	......	.01½	.....	.....	.....
1	5.25	3.10	Teck Hughes	13,842	3.30	3.40	3.19	3.25
1	.03½	.02	Thom. Cadillac	......	.03	.....	.....	.....
1	.40	.10	Towagmac	500	.10	.11	.11	.11
1	3.00	1.01	Treadwell	385	1.75	1.80	1.50	1.50
1	.09½	.02	United Kirkland	1,000	.02½	.02	.02	.02
1	.01½	.00¾	Vacuum Gas	500	.00¾	.00¾	.00¾	.00¾
No	.53	.16	Ventures	17,165	.20	.22½	.16	.21
1	.17½	.04	Vickers	500	.07	.05	.05	.05
1	.45	.23	Vipond	2,950	.24	.23	.23	.23
No	1.00	.25	Waite Ackerman	1,400	.30½	.30	.30	.30
1	.07	.02½	White Lake	......	.02½	.....	.....	.....
1	.01	.01	Wiltsey Coughlan	......	.01	.....	.....	.....
No	3.06	2.00	Wright-Hargreaves	10,955	2.25	2.25	2.10	2.20
			OIL STOCKS					
No	.19	.07½	Acme Gas & Oil	8,200	.07½	.10	.07½	.10
1	1.17	.65	Ajax	1,600	.65	.70	.65	.70
1	.12	.04½	Alta. Pacific	1,250	.05	.05	.05	.05
1	.03½	.02	Askalta	......	.03½	.....	.....	.....
No	.10	.03	Associated	1,825	.04	.05	.03	.05
No	.04	.01	Baltac	......	.02	.....	.....	.....
	.05½	.00½	Benton	......	.00½	.....	.....	.....
1	.06	.02½	Brit. Dominion	......	.03½	.....	.....	.....
No	.38	.14	Calgary & Ed.	2,400	.15	.15	.14	.15
1	.09	.04	Calmont	......	.04	.....	.....	.....
1	.11	.03	Comm. Pete	500	.05	.05	.05	.05
No	.20	.07	Dalhousie	......	.08	.....	.....	.....
No	.01	.01	Devenish	......	.01	.....	.....	.....
No	.02	.00½	Dome Oil	......	.00½	.....	.....	.....
No	.12½	.04	East Crest	......	.06	.....	.....	.....
No	.01½	.01½	Fabyan Pete	......	.01½	.....	.....	.....
No	.10	.06	Foothills	......	.06	.....	.....	.....
No	.03½	.02	Freehold	......	.02	.....	.....	.....
1	.02	.00½	Great West	......	.00½	.....	.....	.....
No	.06½	.03	Hargal	......	.03	.....	.....	.....
No	.05	.02	High Sarcee	......	.02	.....	.....	.....
No	.47	.15	Home	360	.20	.21	.18	.20
No	.05	.01½	Homestead	......	.01½	.....	.....	.....
1	.50	.09	Homestead O. & G.	6,000	.11	.13½	.09	.09
1	.01	.00½	Illinois Alberta	......	.00½	.....	.....	.....
No	.02½	.00½	Lethbridge	......	.00½	.....	.....	.....
No	.02	.00½	Madison	......	.00½	.....	.....	.....
1	.15	.05½	Mayland	3,600	.06	.06	.05½	.05½
No	.04	.01½	McD. Segur Ex.	......	.01½	.....	.....	.....
1	.04½	.01	McD. Segur N.	......	.01	.....	.....	.....
1	.50	.18	McLeod	......	.18	.....	.....	.....
No	.10½	.06½	Mercury	6,450	.07½	.07½	.07½	.07½
No	.08	.04½	Merland	2,000	.05	.05½	.04½	.04½
No	.15	.08½	Mill City Pete	......	.08½	.....	.....	.....
1	.20	.12½	Model	200	.13	.13	.13	.13
1	.05	.04	Monalta	......	.05	.....	.....	.....
1	.07	.03	Moose Mountain	......	.03	.....	.....	.....
1	.01	.01	New Federal	......	.01	.....	.....	.....
5	.14	.01½	Nordon	16,400	.02½	.02½	.01½	.01½
No	.04½	.02	Oil Selection	3,000	.02½	.02½	.02	.02½
No	.05	.02½	Okalta	......	.03	.....	.....	.....
100	15.00	15.00	Do., pref.	......	15.00	.....	.....	.....
No	.20	.09	Olga Gas & Oil	1,500	.10	.10	.09	.10
No	.06½	.02	Penn. Pete	23,000	.02½	.02½	.02½	.02½
No	20.00	20.00	Perfection Pete, pfd.	......	20.00	.....	.....	.....
1	.28	.14½	Petrol Oil & Gas	......	.14½	.....	.....	.....
No	.14	.08	Ranchmen's	......	.09	.....	.....	.....
1	.01	.00½	Regent	......	.01	.....	.....	.....
No	.02½	.01	Richfield	......	.01	.....	.....	.....
No	6.65	3.95	Royalite	130	4.00	4.00	3.95	4.00
1	.12	.05	Sarnia Oil	2,500	.07½	.07	.07	.07
1	.03	.01	Signal Hill	......	.01	.....	.....	.....
1	.20	.10	Spooner	50	.13	.10	.10	.10
No	.11	.05½	Sterling Pacific	2,300	.07½	.06	.05½	.05½
1	.11	.07½	Turner Valley	......	.07½	.....	.....	.....
No	.08	.03	United	......	.03	.....	.....	.....
1	.09½	.03	Vulcan	......	.03	.....	.....	.....
No	.02	.00½	Wainwell	......	.00½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transaction for Week to June 1)					
25c	.00½	.00½	Bayview	......	.00½	.....	.....	.....
20c	.05	.03½	Beaver Silver	2,250	.03½	.03½	.03½	.03½
25c	.02½	.01	Bluebird	......	.02	.....	.....	.....
1	.12	.05	Bridge River Cons.	17,900	.07½	.07½	.05	.05
25c	.01½	.01½	Cork Province	......	.01½	.....	.....	.....
1	.13	.06	Cotton Belt	......	.09	.....	.....	.....
	.01½	.01½	Dalhousie Mines	......	.01½	.....	.....	.....
1	.45	.15	George Copper	100	.25	.20	.20	.20
50c	.02	.01½	Geo. Enterprise	......	.02	.....	.....	.....
1	.04½	.02	Georgia River	4,000	.02	.02½	.02½	.02½
1	.24	.12	Golconda	......	.12	.....	.....	.....
50c	.08	.02½	Grandview	10,000	.02½	.02½	.02½	.02½
25c	5.25	5.25	Hecla Mining	......	5.25	.....	.....	.....
1	.01	.01	Independence	......	.01	.....	.....	.....
1	.01½	.01	Indian Mines	......	.01½	.....	.....	.....
1	.12	.09	Inter. Coal	......	.12	.....	.....	.....
1	.21	.21	Jack Waite	......	.21	.....	.....	.....
25c	.00¾	.00½	Kootenay King	......	.00½	.....	.....	.....
1	.19½	.10	Lorne Gold	41,175	.11	.11	.10	.10
10c	.02	.01	Lucky Jim	......	.01	.....	.....	.....
5c	.12	.05½	Metaline Metals	......	.05½	.....	.....	.....
1	.03	.00½	Morton Woolsey	......	.00½	.....	.....	.....
50c	.03	.00½	National Silver	5,000	.00½	.01½	.01½	.01½
50c	.08½	.02½	Noble Five	8,400	.02¾	.03	.02½	.02½
50c	.01	.00½	Oregon Copper	......	.00½	.....	.....	.....
1	4.11	3.00	Pioneer Gold	24,350	3.30	3.45	3.25	3.40
50c	.08½	.04	Porter Idaho	......	.04	.....	.....	.....
No	.01	.00½	Premier Border	10,000	.00½	.00½	.00½	.00½
No	.28	.08	Reeves McDonald	400	.10	.08	.08	.08
1	.52	.21½	Reno Gold	14,700	.36	.37	.33	.37
1	.05	.02½	Ruth Hope	......	.02½	.....	.....	.....
1	.03½	.02½	Silverado	......	.03½	.....	.....	.....
25c	.02	.01	Silver Crest	......	.01	.....	.....	.....
50c	.01½	.00½	Snowflake	16,000	.00½	.00½	.00½	.00½
20c	.02½	.01	Wellington	......	.01	.....	.....	.....
1	.04	.01	Whitewater	......	.01	.....	.....	.....
No	.00¾	.00½	Woodbine	......	.00⅝	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Ajax Oil	3c.	....	Noranda	50c.	3.58
Cons. Smelters	$2.50+a	9.09	Premier	12c.	....
Dome Mines	$1+20c.	11.16	Pioneer, B.C.	12c.	3.33
Hollinger	65c.	14.94	Royalite	50c.	....
Howe Sound	$1	....	Siscoe	4c.	....
Lake Shore	$2+50c.	9.90	Sylvanite	4+½c.	....
McIntyre	$1	6.34	Teck Hughes	60c.	18.46
McLeod Oils	5c.		Wright-Har.	10+2½c.	5.68

a. Stock bonus 1 share for each 20 shares held.

Concentrated Milk Plants 1931 Output Declines

Preliminary report on the operation of concentrated milk plants during 1931, recently issued by the Dominion Bureau of Statistics, shows 26 plants with a capital of $7,580,884 had a production of $8,754,002 as compared with production of $13,604,743 from the same number of plants in 1930.

Amount of milk delivered at the plants was reduced in 1931 from 431,194,666 pounds to 284,529,301 pounds and amount paid for milk dropped from $6,661,195 to $2,899,645.

Wholesale Price Index Continues General Decline

Wholesale prices continue to decline, according to the index compiled by the Dominion Bureau of Statistics. On a 1926 base, the index declined from 68.4 in April to 67.7 in May. Of the items involved in the index, 65 quotations were higher, 107 were lower and 330 remained unchanged.

Lower prices for butter, eggs, hides and leather more than offset price increases in fresh meat and canned salmon to bring the animal products index down from 60.2 to 58.3. Vegetable products dropped from 57.1 to 56.7 on lower quotations for barley, corn, flax and rye. Fibres and textile products fell from 71.1 to 70.3, chiefly on lower quotations for raw materials. Lower prices for raw materials also reduced the index of wood and wood products, non-metallic minerals and chemicals. Iron and products remained unchanged.

Ditchburn Boats Makes Voluntary Assignment

Ditchburn Boats Ltd. made a voluntary assignment in bankruptcy on May 26 and a receiving order was granted by the courts. The company was publicly financed in May, 1929, through issuance of 1,048 shares of $100 par value preferred and 39,987 shares of no par value common stock.

With plants in Gravenhurst, Orillia and Port Carling, Ont., the company designed and built various types of motor boats from small pleasure boats to large cruisers. No financial statement has been made public for any year since 1929.

Can. Vitrified Products is Adjudged Bankrupt

Canada Trust Co. having taken over possession of Canada Vitrified Products Ltd. as trustee for the first mortgage bondholders, is calling a meeting of bondholders to be held in St. Thomas, Ont., on July 4. The company was adjudged bankrupt by the Supreme Court of Ontario on May 26 and N. L. Martin was appointed interim receiver.

Bondholders will be asked to approve the actions of the trustee.

Dominion Store Sales Dropped Sharply in May

Sales by Dominion Stores Ltd. in the four weeks ended May 28 are reported at $1,746,255 as compared with $2,022,399 in the corresponding period of 1931, a decrease of 13.65 per cent. In the first five months of the current fiscal year sales have totalled $9,915,044 against $10,811,815 in the same period of 1931. Sales in 1932 are therefore $896,771 below sales in 1931 or a drop of 8.3 per cent.

In each period of the current year there has been a drop in sales from the 1931 volume but May sales have shown the largest decline.

H. G. Stanton Joins Mara & McCarthy

Mara & McCarthy, members of the Toronto Stock Exchange and the Montreal and New York Curb markets, have taken over the business of H. G Stanton Co., member of the Toronto Stock Exchange, as at June 8. H. G. Stanton becomes associated with Mara & McCarthy.

Sodium Sulphate Output Gains

Two Canadian non-metallic minerals to show large increases in production last year were sodium sulphate and sulphur, the former with an increase of 42.8 per cent to a value of $419,497, and the latter up 36.4 per cent at $429,457. The chief sodium sulphate increases took place in Saskatchewan.

"SPEAKING OF THE WEATHER" said Mr. Picobac

MR. PICOBAC tilted his chair back against the wall.

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"And," exclaimed Mr. Picobac, suddenly interrupting himself, "rain makes the young tobacco grow! The Burley Tobacco of good old Essex and good old Kent! I tell you we've got a lot to be thankful for in this part of the country—especially the weather. We get the sun and we get the rain."

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Canadian Mining News

HOWEY'S OUTPUT MAKES RECORDS AND LOAN FADES

May is Another Record Month With Output Well Over $100,000

COSTS ARE LOW

Isolated Gold Producer is Establishing Records For Low Cost Operation

May gold production established a new high record at the Howey Gold Mines, The Financial Post was officially informed. April also was a record month but official figures are not available as production statements are only given out every three months to coincide with the Ontario Mines Department statements. Some indication of what the actual production is can be gained by studying the monthly gold production figures by the Ontario Department of Mines. In April gold production from northwestern Ontario was valued at $146,693, exclusive of exchange compensation. This compares with an average of $95,000 monthly for the first three months of the year.

Three other producers in northweestern Ontario—Minto and Moss and Parkhill—had a combined production of close to $40,000 thereby indicating Howey's production in April as something over $100,000, which with the May production substantially better shows the current trend of this pioneer producer of the Patricia district. Production in the first three months of 1932 amounted to $278,632 exclusive of exchange compensation or approximately $93,000 per month. The average daily tonnage milled during this period was 820 tons, after sorting, which would indicate that currently approximately 1,000 tons daily is being hoisted from the mine, while hand sorting is eliminating from 100 to 150 tons, leaving 850 to 900 tons daily to be treated by the mill.

Changes Now Showing Value

About one year ago Fraser D. Reid was appointed general manager of Howey and for several months was occupied in acquainting himself with the operations at the property. Subsequent changes inaugurated are only now manifesting themselves by increased production and lower costs.

Costs throughout 1931 amounted to $3.35 per ton to which was added $1.11 per ton for depreciation and other write-offs, giving a total cost of $4.46 per ton. As evidence of what is currently being accomplished it can be said that operating costs during the first three months of 1932 averaged less than $2.50 per ton, with current costs showing a further downward trend. These operating costs include exploration, development, interest on loans and other carrying charges, but exclusive of depreciation.

With the gold recovery per ton during the first three months of 1932 averaging $3.73 per ton, exclusive of exchange compensation, it will be seen that this isolated producer, 150 miles from the railway, is not only Canada's lowest grade gold mine, but also its lowest cost gold producer.

Loan Fading Out

To many it appeared as if Howey would be swamped owing to an obligation on its vice-president which, on Dec. 31, 1930, amounted to $596,660. One of the first considerations for Howey by its present management was to liquidate this loan as the interest represented an important charge against operations. From the time the present management took charge about a year ago, until Dec. 31, 1931, the loan had been reduced to $428,490 but the speed with which it has been liquidated since the first of January this year makes very gratifying reading for Howey stockholders. The loan now stands at $150,000. This means that $278,000 plus interest has been paid off the loan since Jan. 1, 1932, or in excess of $55,000 a month—all of which indicates that with increased production another three months will see Howey out of the bush of financial entanglement, ready to start piling up earnings toward the dividend its president promised at the last annual meeting, that is, late in 1933.

In this connection it is only fair to call attention to the act of the company's vice-president, W. S. Cherry, who gambled $600,000 on Howey's future by making a loan with no other security than the property itself. His faith in this isolated producer has made possible a programme of development that is now bearing fruit and leaves the company with only its common stock obligations outstanding, namely, 5,000,000 shares of $1 par value.

Mine Looking Fine

Minewise the property is known to be making excellent progress. All stoping operations are from above the 1,000 ft. level with the 275 and 1,000 ft. levels established as the main haulage ways where electric locomotive haulage is now employed.

A winze is being sunk from the 1,000 ft. horizon to an immediate objective of 1,350 ft. This winze has now reached a depth of 1,175 ft. where a station is being cut prior to continuing sinking operations. At a depth of 1,350 ft. a main haulage way will be established without any intermediate level between this and the 1,000 ft. level if ore is encountered. If the anticipated ore should prove disappointing exploration will be conducted by establishing a 1,175 ft. level. In order that production will not be interfered with, the main three-compartment production shaft will be deepened by a raise being put through from the 1,350 ft. level.

Considerable optimism surrounds the developments below the 1,000 ft. horizon as it is known that the ore above the 1,000 ft. level, so far developed, is the best in the mine, both as to grade and width. If the next 350 ft. of depth responds with a similar grade of ore being put in sight, Howey's big mine-making possibilities will be given definite form.

McIntyre Mines Reports $1.92 Per Share Profit, Ore Outlook Excellent

Platt Veteran Area Responds Well to Development

COSTS ARE LOWER

Production Income is $5,305,521 — Average Recovery $7.63—Curtailed Development

The twentieth annual report of McIntyre Porcupine Mines, covering the fiscal year ended March 31, 1932, reflects the best year in the 20 years production history of the property, with increased earnings, greater production, lower costs and improved ore outlook. Net profits were $1,537,127, equivalent to $1.92 per share on the 798,000 shares outstanding, after write-offs and reserves equivalent to $1.06 per share. This compares with a net profit of $1,293,484 or $1.62 per share in the previous fiscal year.

The following is a tabulation of net profits in immediately previous years:

Net Profits

1932	$1,537,127
1931	1,293,484
1930	1,146,603
1929	1,043,981
1928	1,160,647
1927	618,186
1926	663,263
1925	972,055

Increased earnings can be principally attributed to exchange compensation on the gold production, which amounted to $308,059. Although the total recovery was the highest in the history of the property and operating costs were lower, increased taxes, write-offs and reserves tended to reduce profits. Under reserves is an item of $41,582 occasioned by the necessity for providing for present tax rate which is retroactive. An item of $500,000 in the reserves provides for depreciated securities and compares with $400,000 set aside for the same purposes in the previous year.

The following is a comparative income and surplus account statement:

INCOME AND SURPLUS ACCOUNT
Years Ended March 31

	1932 $	1931 $
Operating income ...	5,305,521	4,633,328
Less oper. exp.:		
Mining & develop. .	1,972,690	1,794,594
Crushing & convey. .	87,158	98,463
Milling	482,876	419,119
Misc. camp exp. ..	66,372	45,185
Mine man. & gen. exp.	91,703	76,335
Adminis. & gen. ..	89,763	90,173
Stock trans.	7,670	5,694
Insurance	15,392	17,712
Taxes	220,134	158,168
Operating earnings .	2,271,763	1,927,880
Add non-oper. earn.:		
Interest & dis.	91,964	139,812
Miscellaneous	10,021	66,684
Total net earn.	2,373,748	2,134,376
Less w/o & reserves:		
Workmen's comp. ..	....	37,833
Depreciation	261,106	355,570
Devel. undis. w/o .	....	33,437
Devel. outside prop. w/o	10,585	8,849
Plant, special w/o .	38,383	....
Secs. reserve	500,000	400,000
Sundry adjust. dr.	41,582	5,203
Sundry adjust. cr. .	15,035	....
Net profit	1,537,127	1,293,484
Less dividends	798,000	798,000
Surplus for year	739,127	495,484
Previous surplus ...	4,653,623	4,158,139
Surp. to bal. sheet ..	5,392,750	4,653,623
Earnings per share & dividends:		
Earned (net profit)	$1.92	$1.62
Paid	1.00	1.00

During the year under review all operations were centralized in the new plant at the site of No. 11 or main shaft, across Pearl Lake, opposite Schumacher station on the T. & N. O. railway. The new mill went into operation on May 27, 1931, and attained its rated capacity of 2,000 tons daily on Nov. 15, 1931. In changing over to the new mill development operations were interfered with and delayed. The total lineal footage completed was 23,811 as compared with 28,742 in the previous year. Drifting amounted to 15,955 ft. of which 5,445 ft. were in ore averaging $6.30 over drift width. No shaft sinking was done during the past year below the present lowest level of 3,875 ft.

New Work Significant

Nos. 3 and 16 were the two most productive veins, while the 2,000, 2,625 and 1,750 ft. levels, in the order named, supplied 30 per cent of the ore mined, all levels to the bottom, or 3,875 ft., contributing.

One of the most significant developments during the year was in the heretofore Platt Veteran section of the company's property. A crosscut southeast on the 3,750 ft. level was completed to this area from the No. 11 shaft, a distance of 3,000 ft. and a vein, now known as No. 22, intersected. In 1,240 ft. of drifting on the 3,750 ft. level, 550 ft. of ore averaging $7.90 per ton in gold over drift width was opened up. Later, drifting for 200 ft. on the 3,875 ft. level opened up ore averaging $8 per ton. From this bottom level two diamond drill holes to the 4,300 ft. horizon intersected three ft. of $5.60 and six ft. of $23.20 ore respectively. In commenting on this development, R. J. Ennis, general manager of the company, observed that the No. 22 vein occurs in a lava flow, which, from the small amount of work done appears to be the apex of an important ore-bearing system.

There is practically no change in the tonnage of the ore reserves reported despite the curtailed development programme occasioned by inauguratnig new mill operations. Total ore reserves are estimated at 2,562,563 tons averaging $7.75 per ton, of which 196,258 tons are broken ore averaging $6.55 per ton.

New Mill Cuts Costs

Production was not stabilized at full 2,000 tons daily capacity until Nov. 15, 1931, but the new mill has demonstrated that it is efficient and will tend to reduce costs. During the period it was in operation the milling costs were 85 cents per ton as compared with 95 cents for the old mill.

The following is a tabulation of production since the commencement of production:

Summary of Production

Periods Ending	Tons Milled	Recovery per ton	Total Value
Dec. 31, 1912 ..	14,500	$ 5.25	$ 76,166
Dec. 31, 1913 ..	31,979	7.05	225,752
Mar. 31, 1915* .	85,654	8.39	718,332
Mar. 31, 1916 ..	105,758	7.38	779,991
June 30, 1917* .	195,307	9.55	1,864,914
June 30, 1918 .	178,327	9.61	1,714,258
June 30, 1919 .	179,874	9.29	1,671,646
June 30, 1920 .	188,835	11.02	2,080,178
June 30, 1921 .	171,916	11.08	1,904,326
June 30, 1922 .	193,971	9.99	1,937,105
June 30, 1923 .	240,615	9.35	2,249,742
June 30, 1924 .	360,140	9.14	3,291,178
June 30, 1925 .	400,259	8.86	3,546,638
June 30, 1926 .	460,909	8.25	3,804,775
Mar. 31, 1927† .	385,409	7.67	2,957,061
Mar. 31, 1928 .	520,460	7.66	3,987,635
Mar. 31, 1929 .	538,165	7.83	4,212,625
Mar. 31, 1930 .	550,495	8.05	4,433,627
Mar. 31, 1931 .	558,115	8.30	4,633,141
Mar. 31, 1932 .	655,030	7.63	4,997,462
	6,015,718	8.49	51,086,551

*15 months. †9 months.

Production Costs Per Ton
Years Ended

	Mar. 31 1932 $	Mar. 31 1931 $	Mar. 31 1930 $
Dev. & explor. ...	0.64	0.91	0.85
Mining	2.37	2.30	2.27
Milling	0.97	1.01	.93
Taxes	0.40	.28	.22
Gen. & admin. exp.	0.31	.41	.37
Total oper. costs .	4.69	4.91	4.64
Depr. & write-offs	.69	.72	.93
Total costs per ton	5.38	5.63	5.57
Recovery per ton .	7.63	8.30	8.05
Profit per ton	2.25	2.67	2.68

The company showed an improved liquid position at the end of its fiscal year although plant additions involved an expenditure of $503,533. Current assets included marketable securities valued at market or less of $2,720,565.

The following is a comparison of current assets and current liabilities at the end of the last two fiscal years:

Working Capital
Years Ended March 31

	1932 $	1931 $
Current assets	3,496,740	3,464,508
Current liabs.	542,302	572,952
Working capital	2,954,438	2,891,556

The annual meeting of the company is called for June 29, at its head office in Toronto.

Dome Mines Output Was $411,201 in May

A new high record output was established at the Dome Mines in May with bullion output valued at $411,201. This compares with $354,264 in April.

The high production in May was accounted for in part by the finding of a rich pocket of gold in No. 1340 drift, containing approximately $50,000.

The new blanket equipment has resulted in a higher recovery, with tailing losses at about 32 cents per ton.

CASTLE-TRETHEWEY HAS $27,310 PROFIT

Clean-up After Shutdown and Investments, Make Profitable Year

The eleventh annual report of Castle-Trethewey Mines, covering the period ended March 31, 1932, reflects a year of inactivity as the company's mill in the Gowganda area, Ontario, was closed down on April 23, 1931, owing to low silver prices. Income from investments and silver recovered from clean-up operations amounted to $52,492. Operating expenses totalled $12,224 and administrative and general expenses totalled $12,958, leaving a net operating profit of $27,310. This compares with a net loss of $20,706 for the previous fiscal year, during which the mill was in continuous operation.

J. P. Bickell, president of the company, referred to the present silver situation, in the annual report, and said many proposals had been advanced suggesting ways and means of stabilizing prices but for practical purposes, no progress has been made.

The balance sheet showed current assets of $648,551, including marketable securities at market prices valued at $556,723. Current liabilities amount to $3,748, leaving a working capital of $644,803 as compared with $902,224 at the end of the previous fiscal year.

Cariboo Gold Quartz Constructing Mill

In view of the announcement at an annual meeting of shareholders of Cariboo Gold Quartz Mining Co., held in Vancouver on May 7, that the grade of ore developed could be conservatively estimated at from $15 to $20 per ton, a 25-ton mill is now under construction.

F. M. Wells, managing director of the company, whose property consists of 45 claims on Lowhee Creek, about three miles east of Barkerville, B.C., outlined developments at the property to shareholders and said that 12 veins had been encountered in tunnelling. Some veins have shown exceedingly high values and the latest vein discovered showed an average width of 6 ft.

The property is one of long-standing interest dating from the days of the early placer mining in the area and present developments are pioneering renewed interest in the district.

Interest in the property in Ontario centres about the Port Hope district where considerable stock has been sold. Also, considerable sums for development have come from investors in the State of Washington.

Petrol Oil & Gas Resumes Dividends

Petrol Oil & Gas Co has resumed dividends by declaring one cent per share payable June 20, 1932, to shareholders of record June 15. This will mean a distribution of approximately $11,000.

Between 1921 and 1927 this company paid out approximately $82,000 in dividends but none have been disbursed since Dec. 1, 1927.

Gas sales from the Brantford Indian Reserve wells from April 20 to May 20 amounted to 6,351,000 cu. ft. valued at $1,900 as compared with 8,054,000 cu. ft. valued at $2,400, in February, the peak month of production.

Output from the company's wells in the Dover field in May is estimated at approximately 6,000,000 cu. ft. valued at $1,500,000.

NIPISSING MEETING IS STORMY AFFAIR AS GROUPS CLASH

Shareholders' Committee Opposes Deal to Finance Beattie Property

OIL PLANS CENSORED

Beattie Development Proceeds With Assays From New Shaft Better Than Anticipated

At the annual meeting of shareholders of Nipissing Mines Co. held in Toronto on June 2, formidable criticism was launched by the Shareholders' Protective Committee which continued its opposition to the action of the directorate from the meeting last December, particularly with respect to the Ventures-Beattie-Nipissing deal.

The committee was headed by Dr. F. R. Bennetto, of Hamilton, who showered his wrath on the directorate and cross-examined them, but with proxies representing 250,000 shares as against about 400,000 by the directors the committee was forced to bow to the majority, although the directors agreed to elect one of their nominees to fill the vacant direcorate if the nominee proved acceptable.

R. R. Simpson, one of the Shareholders' Protective Committee, censored the management for not more explicitly telling the shareholders of the company's activities and requested further details of E. P. Earle, president of the company, who acted as chairman of the meeting.

Mr. Earle went over the balance sheet and explained that the investments in Canadian Government and provincial bonds, shown at $1,502,479, today stood at a depreciation of about 10 per cent while the investment in United States railway and industrial bonds, shown at $146,896 showed a shrinkage of about 25 per cent. Silver, bullion and ore on hand, shown at $1,118,646 were explained as representing silver stored awaiting a better market. As against this $385,000 had been borrowed from the banks at 4½ per cent interest.

Objects to Exploring in U. S.

The investment in outside properties shown at $288,511, was explained as being principally due to the company's investment in exploration for oil in Michigan and in Colorado in association with the Phillips Petroleum Co. The committee severely censored the management for its spending of funds of the company in oil exploration work in United States. The chaotic conditions of the oil industry at the present time and the fact that neither of the districts in which the company was exploring was a producing field, brought further censure. Mr. Earle explained that the one well put down in Michigan had given an initial flow of from 30 to 35 barrels of oil daily, while a second well was being drilled in which they were more hopeful. The well drilled in Colorado had an initial flow of wet gas of approximately 20,000,000 cu. ft. daily but has not been connected with the pipe line.

In defense of the company's policy of oil exploration, Hugh Parks, general manager of the company, said he considered "drilling for oil a phase of mining."

Defending the company's entry into the Beattie-Ventures-Nipissing deal, Mr. Earle said the management was very hopeful of the outcome, despite the fact that when all options were taken up it would have but 38 per cent interest in the property. The company is providing the principal funds for this development. Diamond drilling to date indicated about 3,500,000 tons of ore averaging around $3 per ton, while an exploration shaft started this spring is currently at a depth of around 100 ft. Average assays in this shaft for the full 100 feet over the width of the shaft — 10 ft. — gave $4.50 per ton. Tests were stated to have been conducted for the metallurgical treatment of the ore and details were now being worked out on the flotation process. Shareholders were told that while the ore had been referred to as an arsenical ore, only about .25 per cent arsenic existed. It was planned, however, to roast the ore to make it more amenable to cyanidation. Mr. Parks expressed the belief that there was no ground for the rumor that the treatment of the ore presented any metallurgical difficulty and said that without a doubt, in spite of the low grade, a profit would ensue from the operations.

Install Mill This Fall

Production at the property is planned to start next spring and mill machinery is to be taken in this fall. To this end a road is now being negotiated with the Quebec Government sharing a portion of the cost. Mr. Parks explained that while an initial unit originally of 1,000 to 1,500 tons per day was considered, it was now planned to start off with a unit of 600 tons nominal capacity, a unit which it was believed, will develop 1,000 tons daily capacity. Electric power for operations is being negotiated and Mr. Earle mentioned that it was anticipated the rate for power would not exceed $22 per h.p. per year.

Loan $235,000 to Ventures

In defense of Nipissing's loan to Ventures of $280,000, Mr. Earle explained that $235,000 had been loaned to date, repayable in part in five years with the balance in seven years. As security for this loan Nipissing had interest in the Beattie property, 5,000 shares of Ontario Refining Co., bearing 6½ per cent interest and the Ventures covenant to the loan.

Under terms of the option on the Beattie, shares are being taken down as funds were advanced for development work. To date $65,000 has been advanced, against vouchers tendered by Ventures Ltd., who are in charge of the property.

Dr. Bennetto read a statement, now incorporated in the minutes of the company, favoring the disbursing of dividends to the shareholders rather than spending the money in this manner, stating that in the Beattie property he opposed the spending of the company's money in this manner, stating that Nipissing could never have control of the Beattie property and that there was nothing to guarantee the mine would be a success—that none of the mining operations of Ventures had been profitable for its shareholders. He also suggested that inasmuch as Nipissing dividends have now been passed that the management should share with the shareholders by cutting their salaries and dispense with the present subsidiary operating company.

T. J. Agar, K.C., of Toronto, who acted for the shareholders protective committee last December, made a plea to the directorate that inasmuch as some 250,000 shares were represented by this committee that they should have two or three directors representing them. To this Mr. Earle replied that inasmuch as there was one vacancy existing on the board of directors and inasmuch as this protective committee had no one in mind to offer as a director, he proposed that T. C. Calvin, the business partner of Mr. Fasken should be elected to the board pro tem, pending the selection of a suitable director by the protective committee. The balance of the board of directors were re-elected without change for the ensuing year.

CROWN RESERVE PLANS TO ISSUE PREFERRED STOCK

Dr. G. A. MacKay Proposes Retrieving Co. From Bankruptcy

Following a petition in bankruptcy by its secretary-treasurer, W. B. McPherson, the Crown Reserve Consolidated Mines met at a special general meeting called by the "shareholders' protective committee" formed to safeguard the remaining assets of the company.

The meeting was presided over by Col. M. Thompson and the following directors were elected: Dr. G. A. MacKay, S. Bealand, H. J. Jewell, R. W. MacKay, N. Vale, F. Wolfe and R. W. Farrar. It was announced that directors owned approximately 35 per cent of the outstanding capitalization. Dr. G. A. MacKay said that directors had in mind the converting of 100,000 of the unissued capital shares into preferred shares of $1 par value and appeal to the shareholders to subscribe for the stock at par. Of the authorized capitalization of 3,000,000 shares of $1 par value, approximately 400,000 shares remain in the treasury. The plan proposed is that each shareholder owning 1,000 shares will be asked to subscribe for $10 of preferred stock.

Merger Planned

The plan as outlined by Dr. MacKay is to merge the old Associated Goldfields property with its mill with the Crown Reserve. It is stated that the Crown Reserve has approximately 1,000,000 tons of $7 ore indicated, while Associated Goldfields had its mill which would make a merger advisable, once Crown Reserve was taken out of bankruptcy. The Associated Goldfields property also is in the hands of the trustee in bankruptcy, but Proprietary Mines, headed by Dr. MacKay, was formed to take over the old property and is now engaged in paying off the old liabilities.

The question was raised as to the adaptability of the old Associated mill without extensive rehabilitation. The plans of Dr. MacKay to refinance and merge the companies and place them in operation first rests with the discharge of both companies from bankruptcy, but there seems to be no doubt in Dr. MacKay's mind that he will again be able to raise funds that will permit the property, he has so long been identified with, joining the ranks of the producers.

Siscoe Gold Output Well Above 1931 Rate

Gold production in May by the Siscoe Gold Mines amounted to $77,861 from 5,519 tons of ore treated. This is an average recovery of $14.10 per ton from a daily average of 178 tons. In April the recovery was $77,018 from 5,027 tons of ore.

The brings the total recovery for the five months of the current year to $436,625, as compared with a total recovery throughout 1931 of $742,812, or at a rate 40 per cent greater than in the past year.

Parkhill Mines Is Progressing With New Work

Mining operations at Parkhill Gold Mines in the Michipicoten area, Ontario, are progressing favorably without interruption, The Financial Post was officially informed.

The mill is currently treating around 50 tons of ore daily and producing gold bullion valued at approximately $16,000 monthly including exchange compensation. This is equivalent to an average recovery of approximately $10 per ton.

Mining operations have now reached a depth of 480 ft. where the 4th level has been opened up. On both the No. 1 and No. 2 veins the downward extensions of the ore shoots from the upper horizons have been picked up.

The dip of the No. 1 and No. 2 veins indicates that they will come together at a depth around 600 ft. It is planned to continue sinking operations to this depth and then crosscut to the vein and open it up extensively east and west by drifting north and south from the crosscut.

Current production indicates that considerable improvement has been made over the first three months of 1932 when total recovery without exchange from compensation amounted to $31,982 or an average recovery of $7.26 per ton.

Index to Mining Stocks

The weighted index number of 20 mining stocks computed by the Dominion Bureau of Statistics on the base 1926-100, was 46.8 for the week ending June 2, as compared with 48.4 for the previous week.

Eleven gold stocks fell from 50.4 to 48.9, four gold-copper stocks from 47.5 to 44.9 and five silver and miscellaneous stocks remained unchanged at 15.2.

Tests of Ontario Lignite Indicate Great Promise As a Satisfactory Fuel

Highlights of what has been accomplished in tests of Northern Ontario's lignite, first exclusively given in the May 14 issue of The Financial Post, are now supplemented by official information from the Ontario Research Foundation. The official tests conducted in Europe, and the practical demonstrations since with the resultant products of the Research Foundation, give increasing evidence that in Northern Ontario's lignite, Ontario has an important fuel source that now only awaits development, beneficiation, marketing and education of the public to its use.

It is two years since the Ontario Research Foundation undertook, working in close co-operation with the Ontario Department of Mines, to test the value of this fuel and to work on the problem of its utilization. Under the arrangement all the expenses of the Research Foundation in this connection are footed by the department of mines, which pioneered the investigation into the lignite deposits at Blacksmith Rapids about three years ago.

Send 110 Tons For Test

One test that responded particularly well to the samples shipped was the Fleissner process, controlled and licensed for operation on a royalty basis. In this process, the raw lignite from 1½ to 6 inches in size and containing about 50 per cent moisture is charged through the top of large cylindrical vessels. The smaller commercial sizes of these vessels are about 700 cubic feet capable of containing 15 tons of lignite.

Product Has 20 Per Cent Moisture

If a lower moisture is extracted the product absorbs moisture from the atmosphere, reaching a stabilized point around 20 per cent. No by-products are formed in this process and the dried material is found to shrink about 20 per cent in volume. An analysis of this fuel shows it to have a heat value of 9,000 B.t.u. per pound, an ash content of under 6 per cent and a moisture content of 20 per cent. The sulphur content is about one per cent. The lignite subjected to this process has a hard laminated structure of fair lustre. The heating value is about two-thirds of that of the high grade bituminous coal of around 13,500 B.t.u. Tests have shown that it is remarkably resistant to handling and is but little affected by weathering. In a 46 day test on the roof of the Research Foundation there were practically no signs of disintegration while raw lignite under the same exposure had disintegrated to a useless fine dust.

One Ton Makes 1,100 Pounds of Fuel

In the Fleissner process of treatment, 2,000 lbs. of raw lignite containing 50 per cent moisture shrinks to 1,100 pounds of dried lignite and in the process gives up approximately 76 imperial gallons of water.

In Europe this class of fuel is extensively used for locomotives and other steam generation and under certain conditions it is mixed with bituminous coal.

Tests set up in the laboratory of the Research Foundation show that it gives good results for domestic purposes. In an open grate demonstration it burned with a long pleasing flame and gave indications of being superior to cannel coal. Tests conducted in a standard Quebec heater, fitted with solid grates, gave equally satisfactory results. It burned freely and efficiently, was quick to re-kindle into a quick fire and held well under damper control.

Other Tests Made

In addition to the Fleissner process, tests were conducted in Germany on carbonization by the Lurgi and Kohlenveredlung processes. In both of these processes the raw coal was heated in a carbonization oven to a sufficiently high temperature to remove all moisture and to remove most of the tar, oil and gas all of which are collected, leaving behind a char or semi-coke, containing about 10 to 12 per cent volatile matter. This char comes from oven in rather small pieces and while it can be burned in this form in industrial furnaces, using chain grades, to make it applicable for domestic furnaces or fuel it must be briquetted with a binder. From one ton of the raw lignite with 50 per cent moisture, carbonization makes about 700 pounds of char which will give 770 pounds of briquettes, having a heating value of over 12,000 B.t.u. per pound.

Withstand Handling

Briquettes made by these processes using a binder are waterproof and are of sufficient strength to withstand transport and handling. One difficulty with these processes of briquetting is that the resultant tar from the carbonizing oven is not sufficient to provide the pitch binder required in the briquetting process. This would necessitate the outside purchase of a tar or pitch and transportation to the site of beneficiation.

Under test in a Quebec heater at the Research Foundation these briquettes were demonstrated as a desirable fuel with one evident disadvantage, that smoke is produced when recharging the furnace. This is a characteristic of all briquettes using pitch binders and is not alone peculiar to lignite. The briquettes in the Quebec burner burned completely to ash without disintegrating and were evidently a desirable fuel subject to draught control for domestic use.

A further test was conducted on the raw lignite by briquetting without any binder. In some parts of Germany this form of briquetting is carried out with a great deal of success simply by drying and the application of pressure alone. The tests conducted on Ontario lignite, however, with this process were not at all comparable with the results obtained on German lignite.

HOLLINGER FORMS MINING COMPANY HOLD FRANCOEUR

Towagmac Disposes of Interest Property to Speed Development

Following the announcement that Towagmac Exploration had disposed of its Francoeur group of claims, The Financial Post learned from official sources that Hollinger Consolidated Mines is the purchaser and is forming a new company to facilitate the speedy exploration or the property.

The property is known as the Francoeur group of claims, consisting of approximately 1,000 acres, in the westerly central section of Boischatel Tp., Northwestern Quebec, approximately 10 miles west of the Noranda smelter. Towagmac's interest in the property is through the Bell-Thompson Mining Syndicate in which it owns a 66 per cent interest. About 12 per cent interest in the property is held by the Arntfield Gold Mines, which is developing an adjoining gold property. Quebec Government records show a charter has just been issued to the Francoeur Mines, a private company, incorporated to hold title to the property. The Hollinger Cons. Gold Mines will hold control. The Bell-Thompson syndicate and the Arntfield Gold Mines are to be issued shares, in part, for their interest in the property.

Diamond drilling and trenching on the Francoeur property has established the existence of one vein system containing at least two veins. One of these veins assayed $7 per ton in gold, over a mineable width, for a length of 350 feet. A second vein 300 ft. south of No. 1 was cut in diamond drilling and in one section assayed $4 a ton over a width of 12 ft. The small amount of work performed indicates approximately $100,000 worth of gold-bearing ore of an average grade of $7.50 per ton above the 100 ft. horizon, over a length of 120 ft., with an average width of 13 ft.

The entry of Hollinger into the Francoeur picture indicates that an aggressive development programme already started will be carried to conclusion.

Wabana Ore Mines Start Export Shipments

From Our Own Correspondent

MONTREAL. — The ore-shipping season at the Wabana Mines on Bell Island, property of the Dominion Steel and Coal Corp., commenced on May 20th last with a shipment of 8,570 tons for Rotterdam. A second cargo has been shipped, but advices from the Island indicate that prospects for the current season are not particularly bright. Industrial conditions in Germany, a large market for Wabana ore, are not altogether satisfactory at present, and it is expected that the demand will be light this year.

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